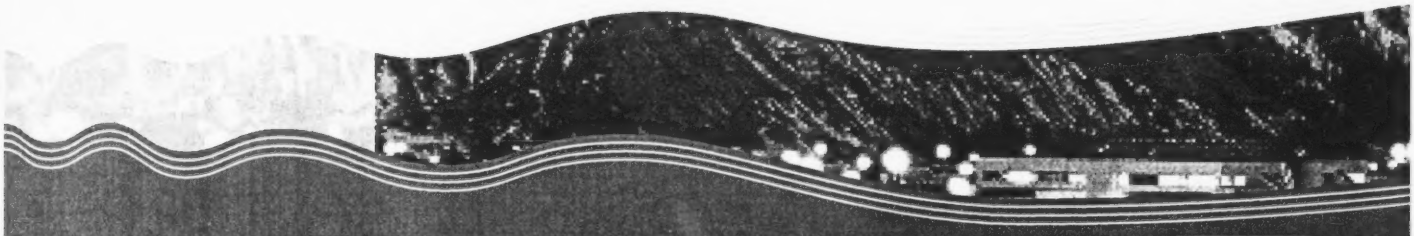
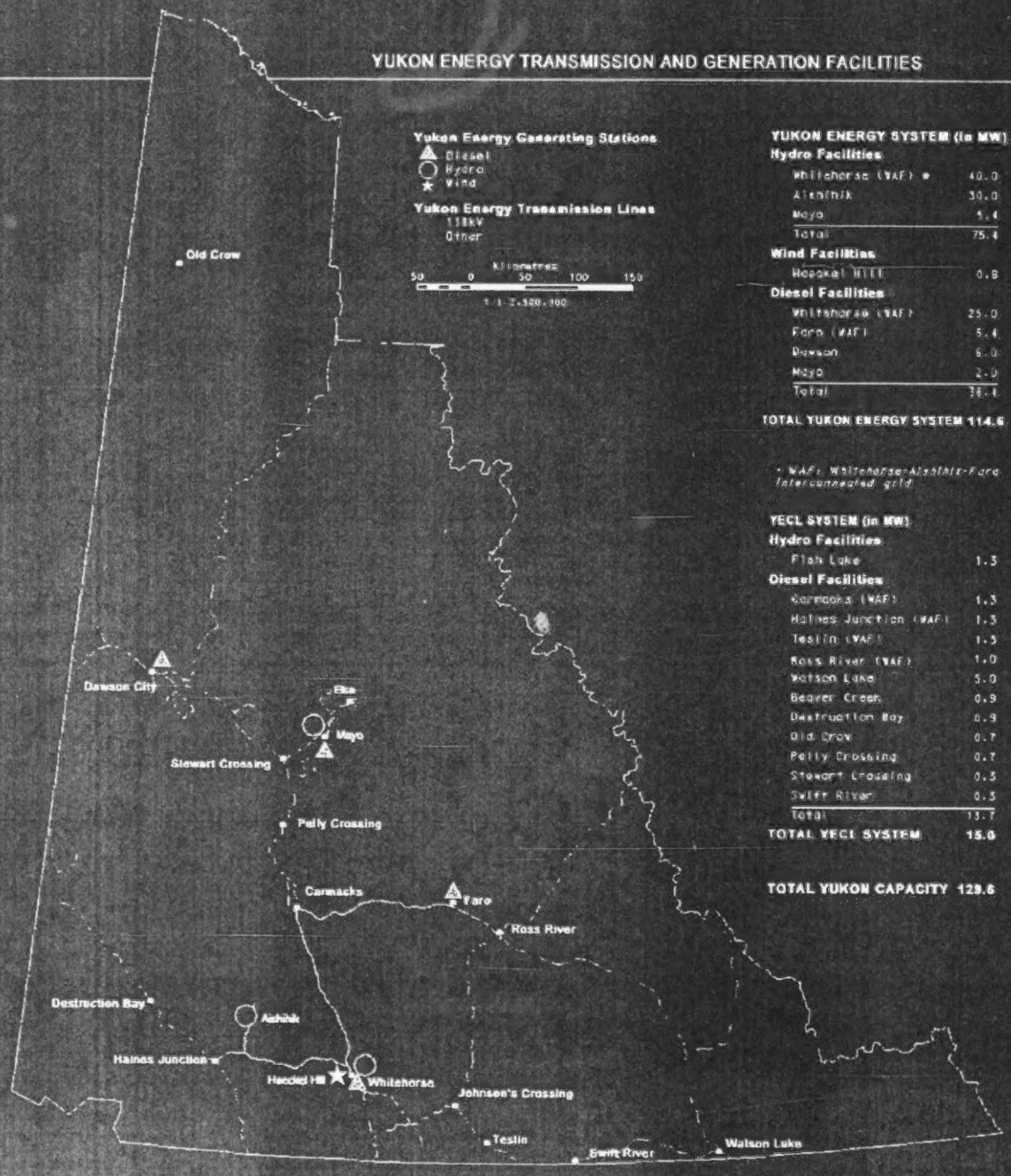
YUKON
ENERGY

2004
Annual Report



YUKON ENERGY TRANSMISSION AND GENERATION FACILITIES



YUKON ENERGY SYSTEM (in MW)

Hydro Facilities	
Whitehorse (WAF) *	40.0
Aishihik	30.0
Mayo	5.4
Total	75.4
Wind Facilities	
Haeckel Hill	0.8
Diesel Facilities	
Whitehorse (WAF)	25.0
Faro (WAF)	5.4
Dawson	6.0
Mayo	2.0
Total	38.4
TOTAL YUKON ENERGY SYSTEM	**114.6**

** WAF: Whitehorse-Aishihik-Faro Interconnected grid*

YECL SYSTEM (in MW)

Hydro Facilities	
Fish Lake	1.3
Diesel Facilities	
Carmacks (WAF)	1.3
Haines Junction (WAF)	1.3
Teslin (WAF)	1.3
Ross River (WAF)	1.0
Watson Lake	5.0
Beaver Creek	0.9
Destruction Bay	0.9
Old Crow	0.7
Pelly Crossing	0.7
Stewart Crossing	0.5
Swift River	0.5
Total	13.7
TOTAL YECL SYSTEM	**15.0**

TOTAL YUKON CAPACITY 129.6

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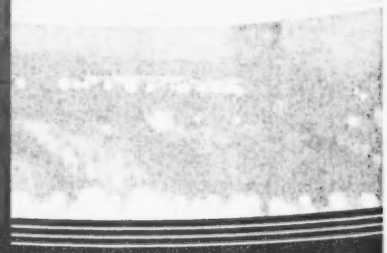


Yukon Energy is committed to providing our customers with exceptional value in rates, service, reliability and public safety. This annual report is a tribute to all our customers and our highly professional and dedicated staff.

Arrester in front of a transformer
Derek Crowe

Message from the President

While there never appears to be a lull in activity at Yukon Energy, this year was particularly busy. Much of our time was devoted to preparing an application to our regulator the Yukon Utilities Board for a general review of our revenues. The application was filed in December. In spite of the fact that our operating costs have gone up, we are not asking for a general rate increase. We are instead seeking permission to use money from various deferred accounts to delay for at least two years, the need for a change in general rates.

A great deal of planning took place this year for a new corporate structure for Yukon Energy, our parent company Yukon Development Corporation and our sibling the Energy Solutions Centre. We will continue to work with the Yukon government in 2005 to complete and implement this plan, which will lead to greater accountability, transparency and simplicity of organizational structure.

This was a bargaining year at Yukon Energy. We now have a new three-year contract with our approximately 50 unionized employees.

Mother Nature played a prominent role this summer and fall. A dry hot summer meant an extreme forest fire season in the territory. Yukon Energy was forced to de-energize the transmission line supplying hydro power to Dawson City because the fire was too close to the line. We supplied Dawson with back-up diesel power for 16 days before the firefighters got the blaze under control and we could safely re-energize the line.

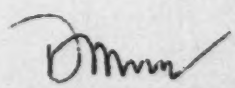
The hot summer also resulted in higher than normal levels in the glacial-fed lakes that flow into the Yukon River, where our Whitehorse hydro facility is located. The high water levels and strong currents prompted us to launch a major public safety campaign warning people of the dangers of the water near our Whitehorse plant. We also worked with the Yukon government's Emergency Measures Organization to provide local residents with up to date information on water levels and advice on flood proofing their properties.

Along with dealing with acts of nature, we were involved in a number of other significant projects in 2004, including repairs to the spillway at our Mayo facility and to the larger of our two wind turbines, an overhaul of one of our Whitehorse hydro generators and the development of a draft 20-year infrastructure plan. This plan gives Yukon Energy essential information about customer sales and demand forecasts and a prioritized list of best options for meeting existing and future customer requirements. It also includes long term maintenance and capital plans along with their associated price tags.

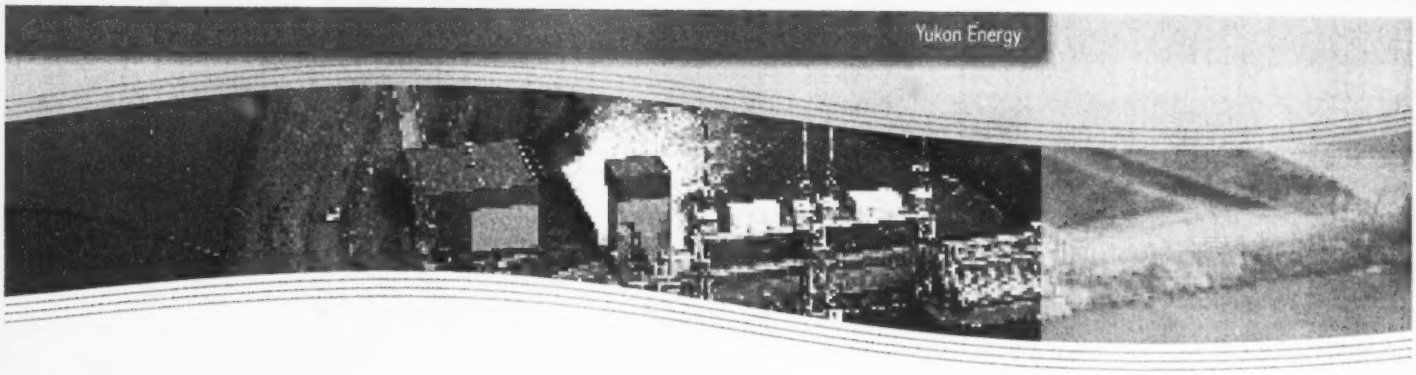
For the fourth year in a row, Yukon Energy was recognized nationally for our efforts to reduce greenhouse gas emissions. We received a Gold Champion Level Reporter Award from Canada's Climate Change Voluntary Challenge and Registry Incorporation, a non-profit partnership between industry and governments across Canada. This is an honour we share with only about 150 other Canadian companies.

As part of our commitment to the people and communities we serve, Yukon Energy awarded scholarships to thirteen outstanding post-secondary students in 2004. We finalized and implemented an apprenticeship and training benefits agreement with the Nacho Nyak Dun and Tr'ondëk Hwëch'in First Nations, as part of an agreement made while building the Mayo/Dawson City transmission line. We also made corporate donations worth approximately $75,000 to a wide variety of Yukon non-profit groups.

I would like to take this opportunity to thank our customers for their business, and to assure them that we are committed to delivering an excellent product and service. Thank you as well to the highly professional and dedicated staff at Yukon Energy.



***David Morrison**, President and CEO*



Overview

Established in 1987, Yukon Energy is a publicly-owned electrical utility that operates as a business, at arms length from the Yukon government. We are the main generator and transmitter of electrical energy in the Yukon and we work with our parent company Yukon Development Corporation to provide Yukoners with a sufficient supply of safe, reliable electricity and related energy services.

There are almost 15,000 electricity consumers in the territory. Yukon Energy directly serves about 1,700 of these customers, most of whom live in and around Dawson City, Mayo and Faro. Indirectly, we provide power to many other Yukon communities (including Whitehorse, Carcross, Carmacks, Haines Junction, Ross River and Teslin) through the Yukon Electrical Company Limited. Yukon Electrical buys wholesale power from Yukon Energy and sells it to retail customers in the territory.

Yukon Energy has the capacity to generate 116 megawatts of power. Seventy five megawatts of that are provided by our hydro facilities in Whitehorse, Mayo and Aishihik Lake (40 megawatts at Whitehorse, 30 megawatts at Aishihik and five megawatts at Mayo), 39 megawatts by diesel generators (which we currently only use as back-up) and 0.8 megawatts by two wind turbines located on Haeckel Hill near Whitehorse.

Yukon Energy is regulated by the Business Corporations Act, the Public Utilities Act and the Yukon Waters Act.

Our headquarters are located near the Whitehorse Rapids hydro plant in Whitehorse, with community offices in Mayo, Faro and Dawson City.

Vision

Yukon Energy provides reliable and cost-effective energy services for customers throughout the Yukon.

Values

Our actions and activities are guided by our core values:

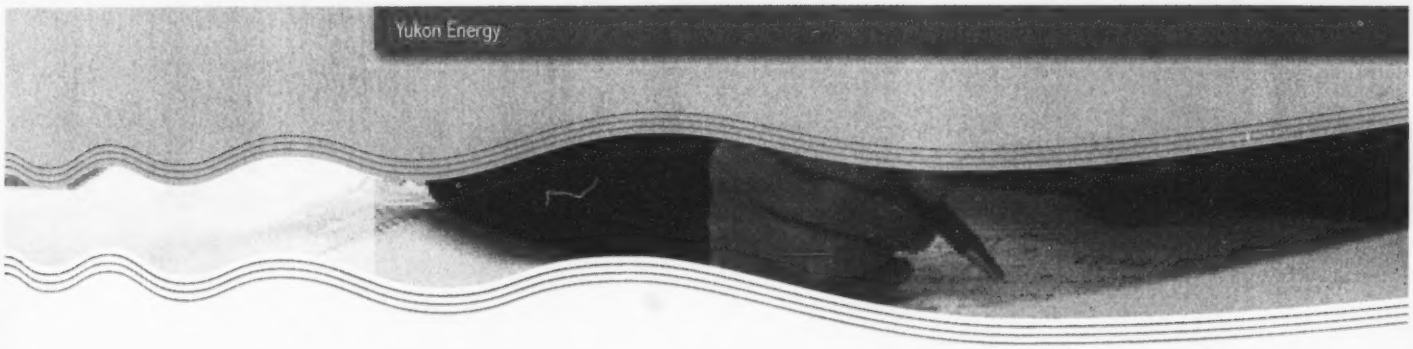
- *Commitment*
- *Integrity*
- *Effective Service*
- *Safety*
- *Learning, Growth and Development*
- *Respect*
- *Teamwork*
- *Accountability*

Mission

Provide a sufficient supply of safe, reliable electricity and related energy services to customers throughout the Yukon, while following sound business practices and demonstrating leadership in protecting the environment.

We undertake to:

- be responsive to our customers and their changing needs and expectations;
- commit to the safety and development of our employees;
- be cost-effective in the utilization and investment of resources, always remembering that we are spending the customer's money and making long-term decisions;
- place priority on the fundamentals; that is, safe and reliable electrical services;
- demonstrate the value of Yukon-based public ownership and management;
- act ethically and honestly treating employees, customers and others with fairness, dignity and respect; and
- build enduring relations with Yukon First Nations.



Our Employees

Yukon Energy employs approximately 66 highly skilled and dedicated people in Whitehorse, Faro, Mayo and Dawson City.

2004 was an extremely busy year for our staff. Forest fires, high water levels, strong winds and early snowstorms meant extra work for Yukon Energy crews. Many of our employees were also involved in major maintenance projects.

There were a number of personnel changes at Yukon Energy, including the hiring of a new President and CEO and the appointment of a new Chair and two new members to our Board of Directors. We saw a long term employee retire and we welcomed several new staff members, including a full time public relations professional. Until now that job had been done on a contract basis.

2004 was a bargaining year at Yukon Energy. In December the company and employees reached agreement on a new contract, which saw wage increases of 8.5 per cent over three years. Other elements of the agreement include additional RRSP contributions by the company, increased location allowance and an increase in shift premiums.

Extensive work was done this year on a new job classification plan. All union positions will be re-classified in 2005 using an alternative system that's being utilized elsewhere in Canada and abroad. No employee will suffer any loss of pay as a result of this exercise.

As the realities of Canadian demographics start to catch up with Yukon Energy, we see the vital importance of succession planning. The average age of our workforce is 46 years, and a large percentage of our employees will be eligible for retirement within the next 10 to 15 years. Yukon Energy devoted considerable time this year to a succession planning initiative that will mitigate the impact of these retirements and, at the same time, reinvigorate the workforce.

Long Service Awards:

Ron Kirkwood
20 years

Dan Sutherland
15 years

Gary McLaughlin
15 years

Ed Peake
5 years

Yukon Energy is a strong proponent of investing in our employees, and in 2004 we provided staff training in just about every area of our operation. We will continue to offer professional development to our staff to ensure we can offer the highest quality service possible.

It's important to Yukon Energy that we celebrate the achievements of our employees. We would like to congratulate our four employees who received Long Service Awards this year.

Operational Highlights

Electricity rates

Yukon Energy was once again able to avoid increasing our rates in 2004. This is the eighth consecutive year that rates have remained stable.

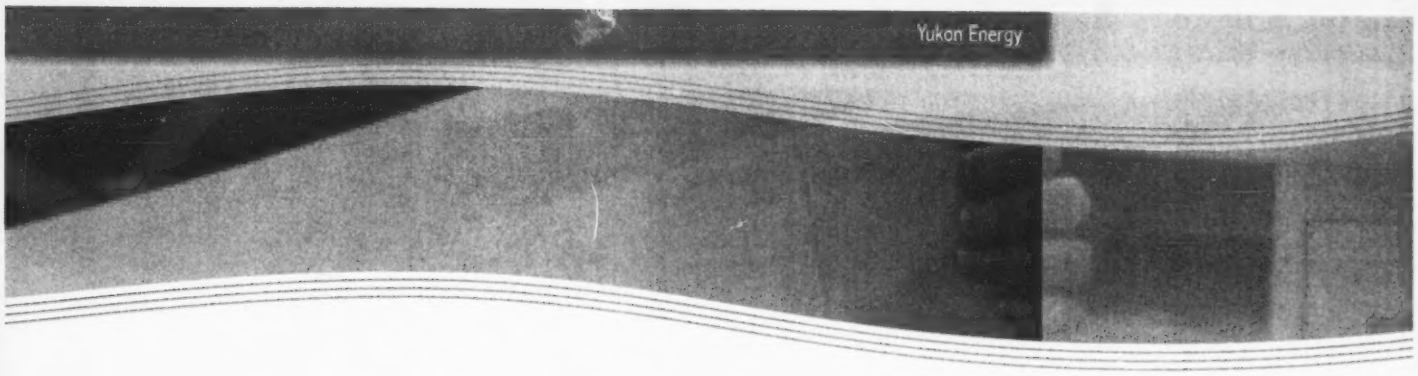
Governments have over the years supported and even paid for a series of rate relief programs. These programs have been funded by government contributions or at times directly by the Yukon Development Corporation. In recent years the territorial government provided a $10 million contribution to fund the Rate Stabilization program. This fund has now been depleted and the program is being operated from internal funds provided by the Yukon Development Corporation. The rate relief program has been extended until April 2007. The annual cost of the Rate Stabilization Fund is approximately $3.5 million.

Key Activities

Yukon Utilities Board application

The Yukon Utilities Board is the quasi-legal body that regulates utilities in the territory. In December 2004, Yukon Energy applied to the Utilities Board for a general review of our revenue requirements for 2005. Although Yukon Energy's costs have risen since the last general review in 1996/97, our application did not include a request for a general rate increase. Instead, we asked to be allowed to use various deferred accounts that have built up, to cover those higher costs. If the Utilities Board grants the request, there won't be a need for a general rate increase for at least two years.

Yukon Energy felt it was important to go to the Yukon Utilities Board in the interests of transparency and accountability. For instance, the Board has never had a chance to review the cost of the Mayo to Dawson transmission line. Secondly, without a review, including



the various measures proposed, Yukon Energy will have a revenue short fall in 2005 of approximately $1.1 million.

Key components of our proposal include the creation of an Income Stabilization Trust, changes to Yukon Energy's depreciation rates, updates to the Energy Service Regulations and changes to secondary sales rates.

While we did not ask for general rate increases, we did request adjustments in the amount we charge the Faro mine interim receiver and our approximately 25 secondary sales customers. The customers taking advantage of secondary sales to heat their buildings have been paying about 42 per cent of what it would cost them to heat with oil. We asked to increase that to 70 per cent. We also asked to charge the normal general service government rate for power to the Faro mine interim receiver, to make it consistent with rates charged for site maintenance at other properties that are funded by government. Switching the customer to a government rate increases the amount it pays by about 19 per cent.

Yukon Energy requested and was granted approval to implement these two changes on an interim and refundable basis effective January 1, 2005. We successfully argued that a delay in implementing these adjustments for several months until all matters in the application have been reviewed will increase Yukon Energy's revenue shortfall for 2005.

20-year Infrastructure Plan

Yukon Energy has hundreds of assets: everything from generating plants to power poles. This year we continued the work started in 2003 of developing a 20-year plan that will help us determine the condition of our assets, what kind of maintenance they'll need in the short, medium and long term, and how long it will be before they'll have to be replaced.

A draft of the plan is now complete. It looks at four key areas:

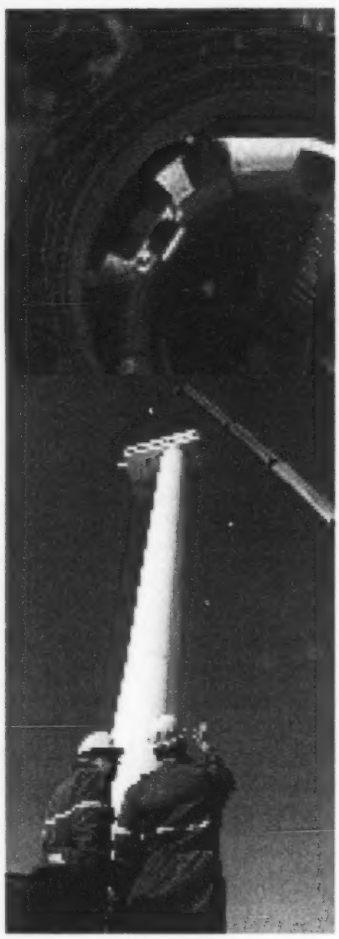
- asset inventory and condition assessment, including a retirement schedule and recommendations for upgrading and/or extending the life of our assets;

- electricity load forecasts, including low and high scenarios for our electrical grids, potential industrial customers (e.g. new mines, pipeline) and diesel communities;

- resource planning/project identification, which assesses transmission line and generation projects and technologies as potential solutions to meeting future load requirements; and

- integration and analysis, including a list of ranked solutions designed to address energy requirements through the 20-year term of the plan.

Once the plan is finalized it will be filed with the Yukon Utilities Board.



top: refurbishing one of the Whitehorse hydro turbines – Underwater Photography

bottom: repairing the blades and turbine at Haeckel Hill – Derek Green

Repairs to Mayo Dam

The Wareham Dam was constructed in the early 1950s to supply nearby mines in Elsa and Keno City, and the community of Mayo, with electricity. Over time, the concrete in the spillway had deteriorated to the point where major repairs were needed. The work was done this summer, at a cost of nearly a million dollars. In the next few years there are plans to raise the height of the chute walls of the spillway by between 1.5 and two metres, as a protective measure in the event of a major flood.

Whitehorse Generator Refurbishing

One of our four hydro generators in Whitehorse received a major overhaul this fall. Originally crews planned to replace four bearings, known as bushings, that hold the turbine blades in place. However once the unit was taken apart, it was evident that much more extensive repairs were needed. All the bearings had to be replaced and the holes that hold the bearings were out of alignment, so new ones needed to be drilled. The refurbished unit was back on line by early November, less than three months after the work began. One of our other Whitehorse hydro units will receive similar attention in 2005.

Wind Turbine Repairs

In the spring of 2004, the larger of our two wind turbines on Haeckel Hill near Whitehorse failed. The 660 kilowatt turbine, which has the capacity to supply about 120 homes with electricity, stopped working after a problem with the ring gear, a piece of equipment that makes the blades turn into the wind.

Because there isn't a working crane in the Yukon big enough to use for the repairs, Yukon Energy brought up a crane from Alberta to help disassemble the 37 metre wind tower and install the new ring gear. Although it was a costly operation (the total bill was approximately $143,000) the work went smoothly and the turbine was producing electricity less than 48 hours after the repair work began.

Forest Fires

The Yukon had one of its worst forest fire seasons on record in 2004. One of the worst hit areas was in the gold fields south of Dawson City, where our new Mayo to Dawson transmission line is located. While the fire crossed our lines, we suffered no significant damage, probably due to the highly commendable work of the fire crews. However when it became evident that the flames were close to our assets, Yukon Energy decided to shut down the line and turn on the backup diesel generators in Dawson City. The diesels were used for 16 days (at a cost of about $5,000 a day) until the fire situation quieted down and we could safety re-energize the system.

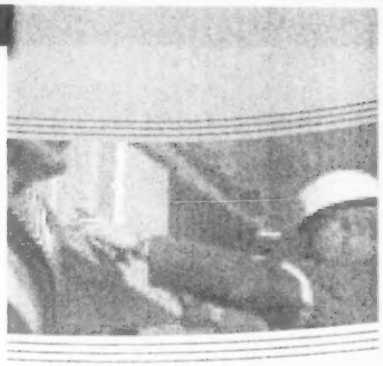
Whitehorse Dam work

This summer, instruments at our Whitehorse Rapids dam showed higher than desirable levels of water in the core of the dam. Erring on the side of caution, we informed the Yukon government's Emergency Measures Organization and called in divers to inspect the dam. We flew a dam safety expert to Whitehorse, and after a series of examinations and tests he determined that there was no problem with the strength of the dam (in fact the Whitehorse dam is stronger than most dams built today), and that the spike in water levels had been caused by heavy rain getting into the dam through monitoring pipes. We sought two other opinions from highly reputable companies, that arrived at the same conclusions.

The water levels have stabilized, but we are continuing to monitor the site on a regular basis. We have also re-graded the dirt near where the readings are taken to prevent rainwater from getting into the dam in the future.

Mayo-Dawson Transmission Line

2004 marked the first full year of operation for the Mayo to Dawson City transmission line. The project involved building a 232 kilometre long transmission line and related infrastructure to connect the City of Dawson



to the Mayo hydroelectric station. It has allowed Yukon Energy to supply Dawson with clean surplus hydro electricity (Dawson's diesel generators are now only used as emergency back-up) and has reduced greenhouse gas by 10,000 tonnes a year.

The project, while a good one, is significantly over its original budget estimate of $27.2 million. The final cost of the line is expected to be about $36.2 million. As a result we asked the Auditor General to conduct an audit, which is expected to be finished early in 2005.

We are still working to resolve a number of significant project-related legal disputes and claims with the general contractor. These claims are not included in the estimated project cost of $36.2 million, so depending on the outcome, the total price tag could be even higher. The length of time it is taking to settle these outstanding issues has been frustrating for Yukon Energy this year and we will do everything in our power to achieve a settlement in 2005.

On a more positive note, Yukon Energy finalized training agreements with the First Nation of Nacho Nyak Dun and the Tr'ondëk Hwëch'in First Nation, as part of the Mayo to Dawson Transmission Line Benefits Agreement. Through this agreement, we will give each of the two First Nations $15,000 a year for apprenticeship and training opportunities. The agreement is for 20 years with an option to renew for a further five years. We believe this will go a long way in helping the Tr'ondëk Hwëch'in and Nacho Nyak Dun achieve their training needs and will help members of the two First Nations find meaningful employment.

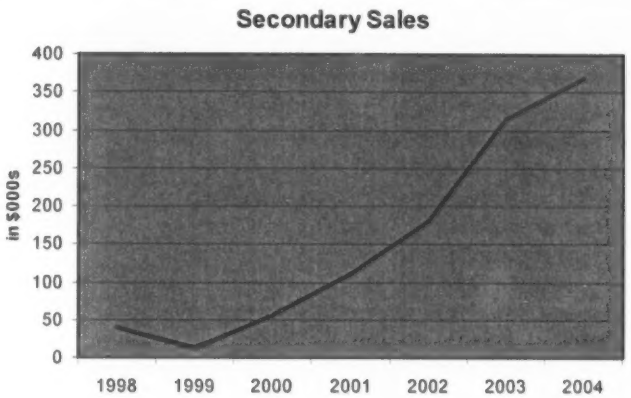
Secondary Sales

Currently, Yukon Energy has the ability to produce more hydro-generated electricity than it needs for its customers. To take advantage of the economic and environmental benefits of this surplus power, the Corporation developed a Secondary Sales Program.

This program gives eligible Yukon businesses the option of using hydro power to heat their facilities instead of diesel fuel or propane, both of which are more expensive. However, there are some stipulations: the service is limited and is fully interruptible, and the business' existing heating system must be maintained and fully operational so that it can be re-activated on 24 hours notice. A second electrically fired heating system must be added in order to utilize the secondary sales electricity as a heating source. The business must also be located in an area that is served by hydro-generated power.

In 2004, the retail price for secondary power was 3.3 cents as approved by the Yukon Utilities Board. Yukon Electrical received 1.1 cents and Yukon Energy 2.2 cents for sales on the Whitehorse/Aishihik/Faro grid. The Secondary Sales Program helps Yukon Energy to earn more revenue than it otherwise would, which in turn reduces the revenues that have to be collected from our firm power customers. The program also displaces the use of fossil fuel for heating, which lowers the Yukon's greenhouse gas emissions. The secondary energy consumed by these customers translated into a reduction of about 4,000 tonnes of greenhouse gas emissions in 2004.

The program also provides significant savings to our secondary sales customers. This year, because of the current high price of fuel oil, our approximately 25 secondary sales customers received power for about 42 per cent of what it would cost them to heat with oil. Because we believe this is an unrealistic market value, we asked permission from the Yukon Utilities Board to increase that to 70 percent of the cost of heating with diesel fuel. The Utilities Board has granted our request on an interim basis effective January 1, 2005.



banner: clipping the adipose fin from young chinook fry as they are about to be released into local streams – Archbould Photography above: aerial view of the fish weir in Whitehorse – Derek Lister

In 2004, 1,992 salmon went through the fish ladder, compared with 1,443 the previous year.

Environmental Stewardship/Health and Safety

Greenhouse Gas Emission Reductions

For the fourth consecutive year, Yukon Energy has been awarded the Gold Level Reporter award for tracking, reporting and reducing carbon dioxide emissions. This is an honor we share with only about 150 other companies across Canada. This award is from the National Voluntary Climate Change Registry, a non-profit industry/government national partnership that works to address climate change.

Mayo Salmon Enhancement

Yukon Energy contributed $15,000 this summer to a project aimed at improving the habitat of young Chinook salmon in the Mayo area. The Nacho Nyak Dun First Nation spearheaded the work, which saw a number of small channels excavated along the lower Mayo River. These channels provide a safe place for juvenile salmon to spend the first year of their lives before heading down the Stewart River, then the Yukon River, and finally arriving in the Bering Sea. The new rearing areas will give a larger number of juvenile salmon a better chance at survival.

This was a pilot project; work of this nature has not been attempted in the Yukon before. There are plans for a long-term monitoring period of several years to determine the success of the initiative.

High Water Levels

There were record high temperatures in much of the Yukon this summer. In the southern part of the territory, this resulted in higher than normal water levels in the Yukon River, where our Whitehorse Rapids hydro dam is located. It also meant that many Yukoners who have property upstream from the dam on Marsh Lake, Tagish Lake and M'Clintock Bay were concerned about flooding to their homes or cabins.

While Yukon Energy doesn't have the ability to control the amount of water that flows from these lakes during the summer (our water license requires that we fully open all our control gates every year from May 15 to at least August 15) we launched a major public information campaign urging local residents to flood-proof their properties. We also worked with the Yukon government to monitor levels and provided those levels to members of the public on a regular basis.

A second part of that campaign focused on public safety. With the water levels so high and the current in the Yukon River so strong, we had concerns about people playing in and around the water near our facility. We ran a series of newspaper and radio ads warning people of the dangers of the water near our Whitehorse plant. We also participated in a safety booth set up as part of the Yukon Canoe and Kayak Club's Whitewater Rodeo, which takes place annually in Whitehorse.

Whitehorse Rapids Fishway

The Whitehorse Fishway, built at the same time as the dam (1958) to help migrating salmon bypass the dam to reach their spawning grounds, had another successful season this year. The fishway is owned by Yukon Energy and operated by the Yukon Fish and Game Association, and is one of the Yukon's most popular tourist attractions. More than 30,000 visitors came to view the salmon this summer.

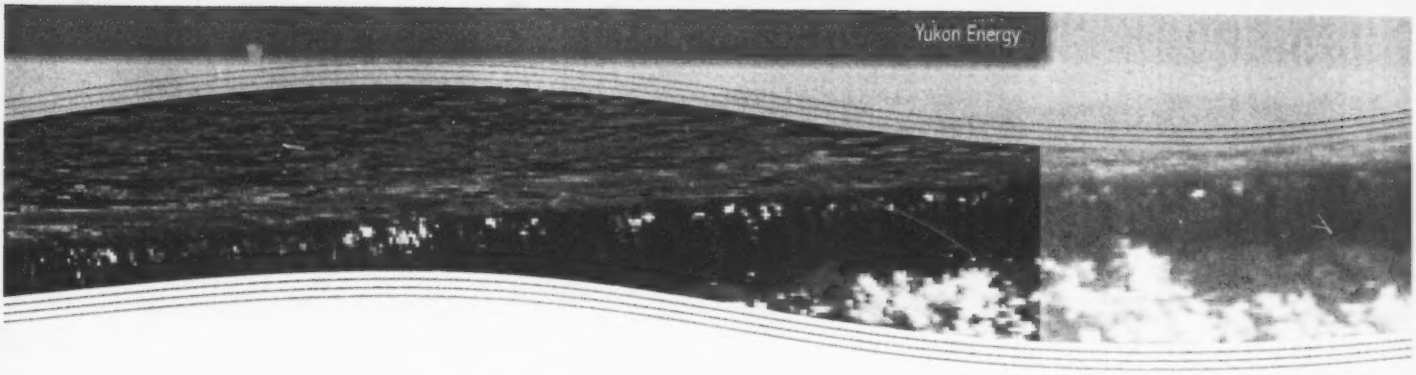
The facility was made even more enjoyable and educational this year when, working with the Yukon government's Department of Environment, we added a First Nations interpretive wall tent. Local elders were on hand two afternoons a week to share their memories and knowledge of how the Yukon River was used prior to the building of the Whitehorse dam.

Money from the Yukon government was also used to purchase a new aquarium and underwater cameras. The cameras allow the public to view the fish from different locations in the ladder.

In 2004, 1,992 salmon went through the fish ladder, compared with 1,443 the previous year.

Whitehorse Rapids Fish Hatchery

The Whitehorse Rapids Fish Hatchery began operating in 1984 to counteract the numbers of migrating Chinook salmon fry being affected by our power plant. In 1996



the hatchery was expanded to accommodate the Yukon government's fresh water fisheries program. Freshwater fish such as arctic char, lake trout, rainbow trout and bull trout are raised to stock pothole lakes in the southern Yukon, including Hidden, Long and Gloria Lakes among others.

Under a funding agreement with the Yukon government's Department of Environment, Yukon Energy and the government jointly and equally share the operating and maintenance costs of the hatchery, which in 2004 totalled approximately $173,000. R & D Environmental administers, manages and operates the facility year round by way of a contract with Yukon Energy.

This summer, Whitehorse City Council gave Yukon Energy permission to expand the hatchery. We purchased a 17 by 30 metre parcel of land adjacent to the original property line, allowing us to work with the Yukon government to set up three more freshwater fish tanks. The hatchery program has been very successful in providing additional fishing opportunities for Yukon residents and this expansion, slated for completion in 2005, will allow us to work with the government to maintain and improve the program.

In 2004, the hatchery had approximately 5,500 freshwater fish in its tanks and more than 95,000 alevins (infants). The expansion allows us to keep more adult bull trout, Kokanee salmon and rainbow trout for brood stock. It also means there is more room for additional Chinook salmon fry.

We released more than 146,000 Chinook salmon fry into streams in the southern Yukon in 2004.

Fish Habitat Protection

2004 was the fifth consecutive year of a long-term juvenile whitefish monitoring program at Aishihik Lake. This program was initiated in 1999 with the goal of preserving the lake whitefish population of Aishihik Lake and ensuring that no significant adverse effects to the lake whitefish result from the operation of the Aishihik hydro generating facility. A management regime is now in place to respond to any significant changes attributable to the hydro operations, at an early enough stage to minimize effects on the fishery.

Yukon Energy also contributed in 2004 to a Yukon government harvesting survey of the McIntyre system near Whitehorse, with a focus on Pumphouse Pond and Louise Lake. This system is used by Yukon Electrical Company Limited to generate hydroelectricity and by Icy Waters for the operation of its fish farm. However it's also a popular fishing area, primarily because of its close proximity to Whitehorse and because of a program to stock the system with rainbow trout, lake trout, grayling and arctic char. Results of the harvesting survey will be available early in 2005 and will lead to better resource management and decision making.

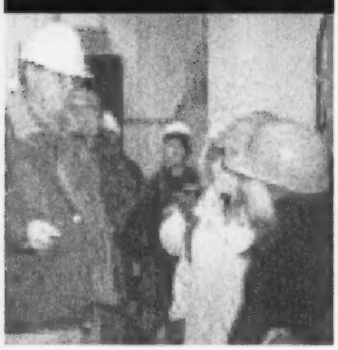
Wind Energy

Yukon Energy, in conjunction with the Energy Solutions Centre, carried out the Community Wind Resource Assessment Program again this year. It's a service we offer free of charge to homeowners and businesses in remote areas of the Yukon. The initiative allows us to provide information that will help customers make informed decision about the appropriateness of using wind power. This year we assessed four sites, near Faro, Teslin, Marsh Lake and along the Dempster Highway. This is the last year of funding for this program, although a similar initiative will be offered by the Energy Solutions Centre starting in 2005.

To assess the potential for commercial wind generated power, Yukon Energy typically operates a few monitoring stations per year throughout the territory. In 2004, Yukon Energy had stations on Haeckel Hill near Whitehorse, Ferry Hill near Stewart Crossing and the East Dome in the Dawson City area.

We also worked with the Kluane First Nation to study the potential for economic wind energy production in the Destruction Bay area, and with the Vuntut Development Corporation to conclude a wind monitoring project on Crow Mountain in the Northern Yukon. The data indicates that while there are attractive wind opportunities in the Old Crow area, there are also significant rime icing challenges.

We released more than 146,000 Chinook salmon fry into streams in the southern Yukon in 2004.



Corporate Citizenship/Community Involvement

Rotary Centennial Bridge (Millenium Trail Pedestrian Bridge)

Yukon Energy has been a major supporter of the Millennium Trail — a paved walkway that stretches on either side of the Yukon River in the vicinity of the Corporation's Whitehorse hydro operation. It is the first trail in Whitehorse that is accessible to people in wheelchairs and has been used by hundreds of visitors and residents since it opened this year. In 2004, work moved ahead on a bridge that would span the Yukon River and join the two sections of the trail to make a continuous loop. The bridge is slated for completion by the summer of 2005. Yukon Energy has contributed $100,000 towards the trail and bridge.

Community Donations

Golden Horn's New Fire Truck:

Last year Yukon Energy donated one of our fleet vehicles to the Golden Horn Fire Department. In 2004, the pick-up truck was repainted, the necessary equipment installed and the vehicle was put to work. Fire department officials say the truck has been a real asset to this year's fire suppression efforts, especially during the high hazard days of June and July. It helped avoid what could have been a major fire along the Yukon River Road.

"At the time, fire conditions were rated high. Because of the condition of the road, the travel time and the fact that our pumper was too large to travel the road, this fire could have turned into a major conflagration in no time, threatening everything in its path including Golden Horn, Cowley Creek and the rest of the south end of town. We were able to get to the fire using the pick-up truck donated by Yukon Energy, thus avoiding a major incident."—Golden Horn Fire Chief Kevin Taylor

Computer Equipment for Yukon College:

Yukon Energy also donated some used computerized equipment to the Trades and Technology classes at Yukon College this year. The programmable logic controllers (PLC) are shoe-box sized computers that can monitor and help control everything from diesel generators and substations to general heating and cooling systems. The controllers were in good working order, but were not compatible with Yukon Energy's current system.

"These will be a great training tool for the electrical students at Yukon College as well as the students we help train at the Skills Centre outside the college. While this isn't officially part of the course at this point, any time we can expand the students' knowledge we do. We'll use the equipment to control motors and lighting in the lab at Yukon College and may find other uses later on."—Yukon College instructor Jerry Wald

Financial Contributions

Yukon Energy continues our tradition of sponsoring the good work of non-profit organizations throughout the territory. Through our corporate contributions program, we donated more than $75,000 to a wide variety of community groups in 2004. The list covered everything from sports and recreation, the arts, tourism, education, and health and social services. Here are a few examples of how we have helped community groups this year...

"Yukon Energy generously supports the Yukon Conservation Society Ed-Ventures for Kids program which has enabled us to expand the initiative to reach more children each summer. This program is providing fun and informative environmental education opportunities for Whitehorse kids. Thank you!"

"Yukon Energy has been a corporate sponsor of the Alsek Music Festival since 2000. Although the festival receives funding from other sources, we could not put on a successful festival without the generosity of our corporate sponsors. This sponsorship allows us to put the finishing touches on the festival from the KidZone to the performer's hospitality tent to the stage venues."

"We would like to thank Yukon Energy for your generous donation to this year's Watson Lake Discovery Days week-end. We really appreciate the support. The

money went to help fund the family dance, children's events and parade. The community spirit shown during the weekend was tremendous. Once again, thank you Yukon Energy!"

"For over a decade, Yukon Energy's corporate sponsorship of the Yukon Quest has helped our organization maintain a vital connection to traditional travel by dog team. Yukon Energy staff also work closely with Yukon Quest organizers to ensure a safe race trail is maintained on the Yukon River below the Whitehorse power dam. Yukon Energy and the Yukon Quest - harnessing power and energizing Yukon communities together."

"Financial assistance from Yukon Energy kindly supported the strings orchestra program of the Yukon Summer Music Camp led by instructor, Michelle Bouchard. Ms. Bouchard coached and inspired junior and senior orchestra as well as two chamber groups. The students gain so much enjoyment and experience from playing in ensembles and many will continue to play in a community strings orchestra throughout the year."

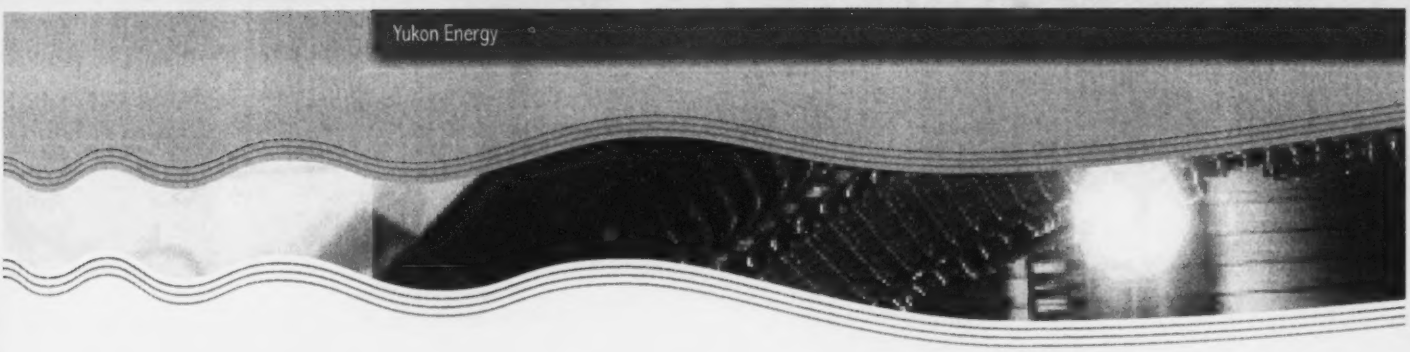
Scholarships

Yukon Energy, in conjunction with Yukon Development Corporation and the Yukon government's Bureau of French Language Services, continued our strong support for Yukon students. In 2004 the three entities provided scholarships worth $18,000 to 13 deserving young adults. These scholarships are a significant investment in our communities and symbolize our ongoing belief in the potential of the young people in the territory. As well as offering general scholarships, members of the First Nation of Nacho Nyak Dun and the Tr'ondëk Hwëch'in First Nation are eligible to be considered for scholarships as part of our Mayo/Dawson Transmission Line Benefits Agreement.

"I would like to thank you very much for choosing me to be one of the recipients of this year's Yukon Energy Scholarships. This will be extremely helpful financially in the coming school years, especially as tuition in British Columbia continues to rise (130 per cent increase at the University of Victoria since I started in 2001). I applaud the efforts of Yukon Energy in providing such a wonderful scholarship opportunity to hard working Yukon students. Once again, thank you." — Yukon Energy scholarship recipient Ben Craigen

Community Involvement

It's important to Yukon Energy that we participate actively in the communities we serve. In 2004, Yukon Energy and the Energy Solutions Centre participated in a Student Career Fair — an annual event that this year drew about a thousand young people and 200 of their parents. Two of our staff assisted at a Young Women Exploring Trades electrical workshop that involved about 120 grade eight girls. Yukon Energy also participated in a water safety booth set up at a white water rodeo.



Board of Directors:

Willard Phelps, Chair

Shirley Abercrombie

Martin Allen

Fred Blanchard

Barb Joe

Paul Hunter

Carl Charlie

Pat Irvin

Yukon Utilities Board Orders

In December 2004, in Board Order 2004–1, the Yukon Utilities Board approved Yukon Energy's request for an interim rate increase for secondary sales customers. The interim rate takes effect on January 1, 2005 and could be fully refunded with interest depending on what the Utilities Board sets as permanent rates following a public review in 2005 of Yukon Energy's revenue requirements.

Also in Board Order 2004–1, the Utilities Board approved, on an interim and refundable basis, Yukon Energy's request to charge the normal general service government rate for power to the Faro mine interim receiver. This brings the Faro mine site rate in line with that charged for site maintenance at other government-maintained properties. The interim rate takes effect on January 1, 2005.

Board Order 2004–1 instructed Yukon Energy to hold an information session on January 13, 2005 for those interested in intervening in our revenue requirement application to the Utilities Board and deemed that a Pre-hearing Conference into the application would be held on January 14, 2005.

Senior Management

David Morrison, President and C.E.O.

Les Boisvert, Manager Operations, Health & Safety

Hector Campbell, Director, Resource Planning & Chief Information Officer

Erik Hoenisch, Chief Financial Officer

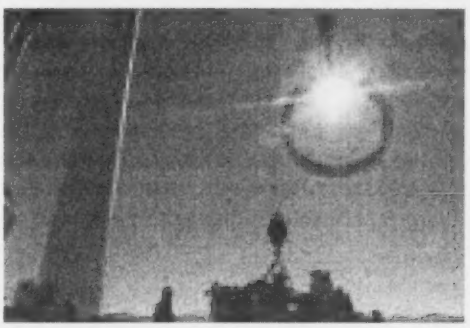
Linda Greer, Director, Human Resources & Corporate Services

Alex Love, Director, Technical Services

Dave Wray, Director, Operations

Financial Highlights

The Corporation realized a better rate of return in 2004. The rate of 8.71 per cent is significantly higher than the return in 2003 and is close to the allowed return of 9.14 per cent.



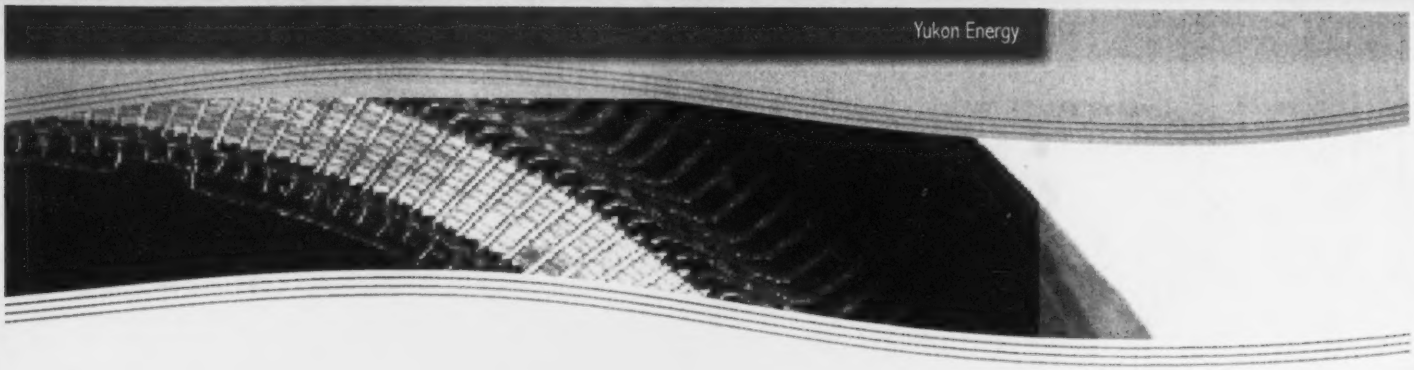
The ring gear is replaced on Yukon Energy's Vestas wind turbine on Haeckel Hill – Derek Drake

Sales of power were $24.9 million in 2004, an increase of 2.9 per cent from 2003. This is attributable to increased demand for energy in Whitehorse.

Overall administration as well as operations and maintenance costs remained relatively stable in 2004 compared with the prior year. Insurance costs decreased as a result of better conditions in the insurance market and fuel costs decreased dramatically as a result of Dawson City being served with hydro power rather than diesel generators for a full year.

The increase in amortization of property, plant and equipment in 2004 compared to 2003 results from the Mayo-Dawson transmission line being in service throughout 2004. The increase has been partially offset by the correction of an error made between 1999 and 2003 in amortizing for a gain on fire insurance proceeds. After discussion with the Corporation's auditors, the correction, $305,000, was recorded in 2004. This amount is not included in the determination of the rate of return noted above.

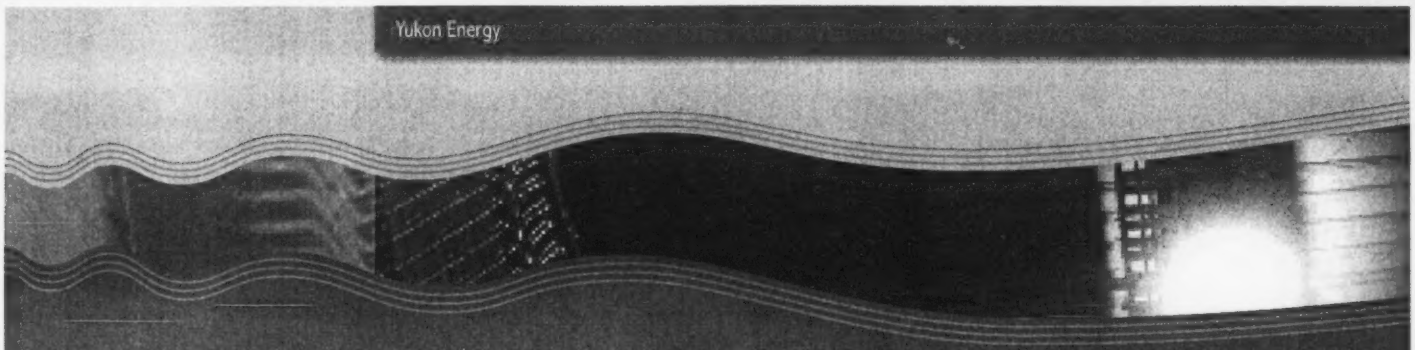
The Net Book Value of the Corporation's assets has remained stable. The annual program of capital additions is generally equal to the depreciation on all assets.



Financial Summary (in $000s)

	2004	2003	2002	2001	2000	1999	1998	1997
Revenue								
Sales of power	24,904	24,199	23,786	22,242	22,386	23,181	24,534	27,656
Recovery of costs *(Note 1)*	597	488	539	513	894	-	-	-
Other	281	152	270	190	149	196	59	4,331
	25,782	24,839	24,595	22,945	23,429	23,377	24,593	31,987
Expenses								
Administration	5,249	5,057	4,723	4,079	3,688	3,626	3,676	3,704
Insurance	984	1,226	1,166	748	660	661	662	488
Operations and Maintenance	4,418	4,285	4,036	3,871	4,099	4,298	3,789	5,615
Fuel	223	980	1,259	1,337	1,314	1,316	2,154	8,361
Recoverable costs *(Note 1)*	597	488	539	513	894	-	-	-
Bad debt write-offs	-	-	-	-	3,155	-	-	-
Amortization	6,347	5,866	5,536	5,249	4,954	5,042	4,816	5,656
Finance charges	2,926	3,675	3,823	4,376	4,339	4,292	4,677	5,819
Interest income and Allowance for funds used during construction	(158)	(904)	(318)	(475)	(612)	(347)	(36)	(62)
Net Income	5,196	4,166	3,831	3,247	938	4,489	4,855	2,406
Capital Assets								
At cost (net of contributions)	206,150	201,488	193,874	167,966	159,980	154,424	144,058	140,642
less: accumulated amortization	58,890	53,919	49,453	44,920	40,530	36,410	33,043	29,456
Net Book Value	147,260	147,569	144,421	123,046	119,450	118,014	111,015	111,186
Capital expenditures (net of contributions)	6,499	8,788	26,866	8,538	4,756	11,326	3,984	1,741
Utility Return on Equity achieved	8.71%	6.78%	8.79%	7.87%	7.92%	9.13%	9.11%	4.55%
Utility Return on Equity allowed	9.14%	9.14%	9.14%	9.14%	9.14%	9.14%	9.14%	9.45%

Note 1 Recovered costs are from the corporation's parent, sister company, and as part of an insurance claim.



Audited Financial Statements

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Auditor's Report

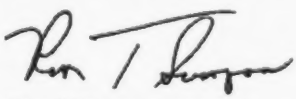
To the Board of Directors of Yukon Energy Corporation

I have audited the balance sheet of Yukon Energy Corporation as at December 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, proper books of account have been kept by the Corporation and the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Public Utilities Act* and regulations, the *Business Corporations Act* and regulations, and the articles and the bylaws of the Corporation.



Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Vancouver, Canada
April 8, 2005

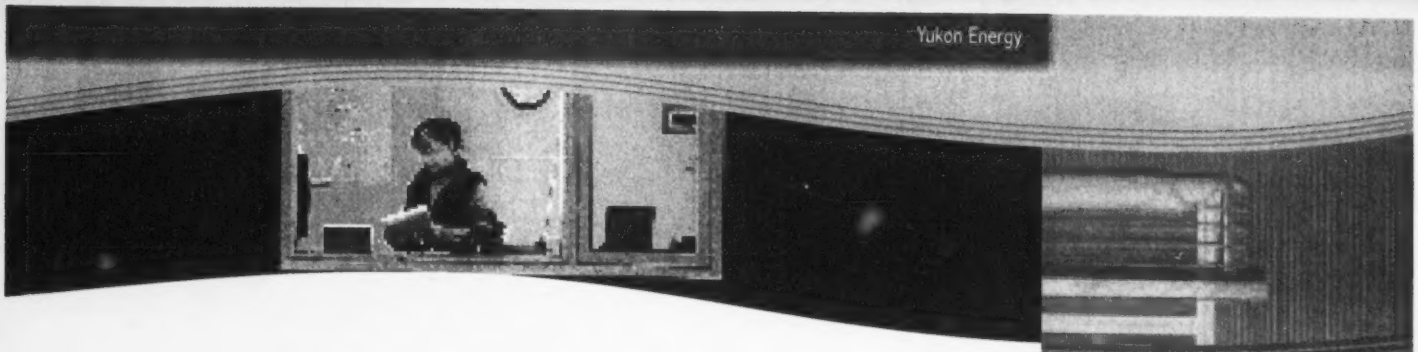
Management's Responsibility for Financial Reporting

Management is responsible for the preparation of the financial statements and all other financial information relating to the Corporation contained in this annual report. The financial statements have been prepared in conformity with Canadian generally accepted accounting principles using methods appropriate for the industry in which the Corporation operates and necessarily include some amounts that are based on informed judgments and best estimates of management. The financial information contained elsewhere in the annual report is consistent with that in the financial statements.

Management has established internal accounting control systems to meet its responsibilities for reliable and accurate reporting. These systems include policies and procedures, the careful selection and training of qualified personnel and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The Board of Directors, through its Audit Committee, oversees management's responsibilities for financial reporting. The Audit Committee meets regularly with management and the independent auditor to discuss auditing and financial matters to assure that management is carrying out its responsibilities and to review the financial statements. The auditors have full and free access to the Audit Committee and management.

Erik Hoenisch, CA
Chief Financial Officer
April 8, 2005



Balance Sheet | December 31, 2004

(in thousands of dollars)

As at December 31,	2004	2003
Assets		
Current		
Cash and cash equivalents	$ 1,719	$ 968
Accounts receivable (note 4)	4,490	4,225
Materials and supplies	2,651	2,575
Prepaid expenses	838	558
	9,698	8,326
Funds held in trust	-	602
Diesel contingency fund (note 5)	772	755
Property, plant and equipment (note 6)	158,800	158,512
Reserve for uninsured losses (note 7)	797	679
Deferred charges (note 8)	6,837	6,578
	$ 176,904	$ 175,452
Liabilities		
Current		
Accounts payable	4,093	4,028
Dividend payable	-	3,444
Current portion of long-term debt (note 12)	1,340	1,235
Regulatory liabilities (note 9)	2,811	2,518
	8,244	11,225
Deferred revenue (note 10)	8,436	8,995
Contributions in aid of construction (note 11)	11,540	10,943
Reserve for future removal and site restoration costs	5,757	5,143
Diesel contingency fund (note 5)	772	755
Long-term debt (note 12)	84,757	82,540
	119,506	119,601
Shareholder's Equity		
Share capital		
Authorized: Unlimited number of a single class of shares with no par value		
Issued: 3,900 shares	39,000	39,000
Retained earnings	18,398	16,851
	57,398	55,851
	$ 176,904	$ 175,452

Contingencies and Commitments (notes 17 and 18)

The accompanying notes are an integral part of the financial statements.

Approved by the Board

_____, Chair

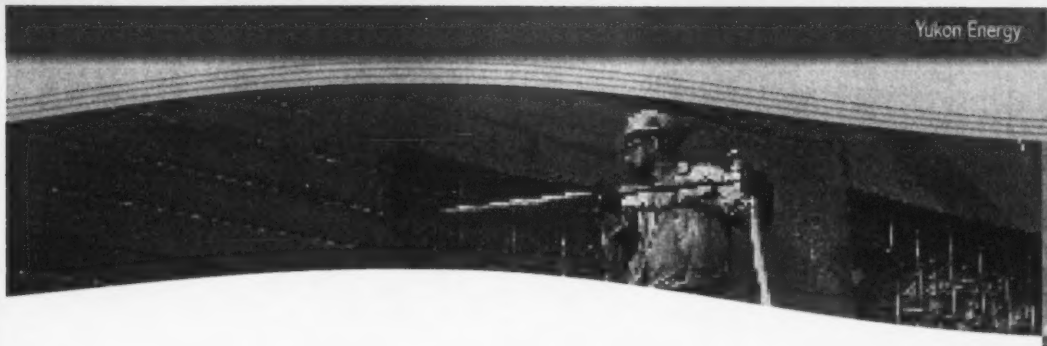
_____, Director

Statement of Income and Retained Earnings | December 31, 2004

(in thousands of dollars)

For the year ended December 31,	2004	2003
Revenue		
Sales of power	$ 24,904	$ 24,199
Other	878	640
	25,782	24,839
Operating expenses		
Administration (note 13)	6,780	6,721
Operations and maintenance (note 14)	4,641	5,265
Amortization of property, plant and equipment	6,018	5,473
Amortization of deferred charges	531	595
	17,970	18,054
Income from operations	7,812	6,785
Other income		
Allowance for funds used during construction	115	900
Amortization of capital assistance	202	202
Interest income	43	4
	360	1,106
Other expenses		
Interest on long-term debt	2,926	3,675
Provision for uninsured losses (note 7)	50	50
	2,976	3,725
Net income	5,196	4,166
Retained earnings, beginning of year	16,851	16,129
Dividend	(3,649)	(3,444)
Retained earnings, end of year	$ 18,398	$ 16,851

The accompanying notes are an integral part of the financial statements.

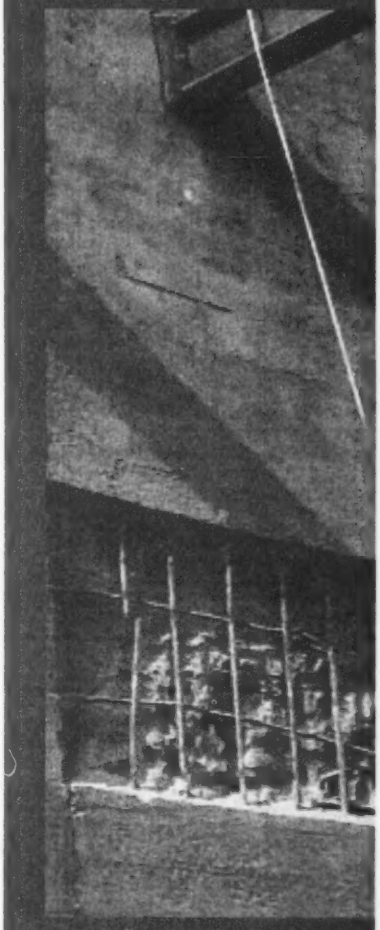


Statement of Cash Flows | December 31, 2004

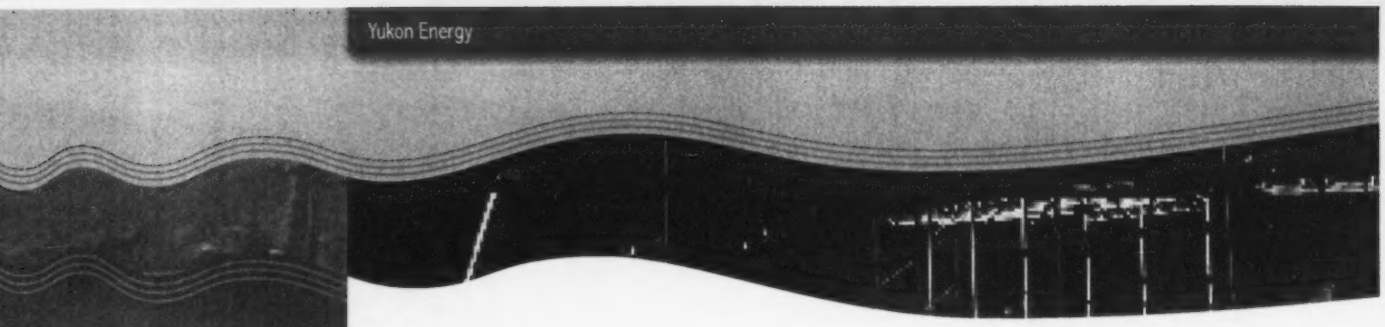
(in thousands of dollars)

For the year ended December 31,	2004	2003
Cash provided from Operations		
Cash receipts from customers	$ 25,516	$ 25,483
Cash paid to employees and suppliers	(11,773)	(11,601)
Interest paid	(2,926)	(3,802)
Interest received	43	4
	10,860	10,084
Cash (used for) provided from Financing		
Net proceeds from financing	-	2,000
Repayment of long-term debt	(1,326)	(814)
Contributions in aid of construction	850	322
Dividend paid to parent	(3,444)	-
	(3,920)	1,508
Cash used for Investment		
Additions to property, plant and equipment	(6,189)	(7,752)
	(6,189)	(7,752)
Net increase	**751**	3,840
Cash and cash equivalents (bank indebtedness), beginning of year	**968**	(2,872)
Cash and cash equivalents, end of year	$ **1,719**	$ 968
Cash and cash equivalents consists of:		
Bank balances	1,719	968
	1,719	968

The accompanying notes are an integral part of the financial statements.



repairs to the Mayo spillway – Yukon Energy



Notes to Financial Statements | December 31, 2004

(tabular amounts in thousands of dollars)

1. NATURE OF OPERATIONS

Yukon Energy Corporation (the "Corporation") was incorporated under the *Yukon Business Corporations Act* and is a wholly-owned subsidiary of Yukon Development Corporation, a corporation owned by the Government of Yukon. Yukon Energy Corporation generates, transmits, distributes and sells electrical energy in the Yukon.

The Corporation is subject to overall regulation by the Yukon Utilities Board (YUB) and specific regulation by the Yukon Territory Water Board.

Rate regulation

The Corporation is regulated by the Yukon Utilities Board pursuant to the *Public Utilities Act*. The regulatory hearing process typically begins when the Corporation makes an application for its proposed electricity rate changes over the next one or two forecast years. The Yukon Utilities Board must ensure that its decision, which fixes electricity rates, complies with all relevant legislation including the *Public Utilities Act* and directives issued by the Yukon Government through Orders-In-Council that specify how the interests of the customer and utility are to be balanced.

The YUB typically follows a two-stage decision process. In the first stage the total costs that the utility will incur to provide electricity to its customers over the immediate future are approved. The approval of these costs determines the total revenues the utility is allowed to collect from its customers. It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- the costs to the utility to run its operations and maintain its equipment (personnel and materials);
- the cost associated with the amortization of all capital equipment;
- the return on rate base (the costs related to borrowing that portion of rate base which is financed with debt, and the costs to provide a reasonable rate of return on that portion of rate base which is financed with equity).

As well, in the first stage, the YUB reviews the addition of costs to rate base and assesses these costs for prudency.

In the second stage, the YUB approves how the revenue will be raised. This stage essentially determines the electricity rates for the various customer classes in the Yukon: residential, government, commercial and industrial. This process is guided mainly by a cost-of-service study which allocates utility costs to the various customer classes on the basis of appropriate costing principles. The determination of rates is also affected by Orders-In-Council, which give specific government direction to the YUB.

Normally, the Corporation applies for rates in advance of the applicable years. The last general rate application was for the years 1996/97. Interim hearings and interim rates may be used to deal with unforeseen circumstances.

On December 13, 2004, the Corporation filed with the YUB, pursuant to the *Public Utilities Act* and *Order-In-Council* 1995/90, an application requesting an Order granting new rates for secondary (interruptible) energy and the Faro mine site, on an interim refundable basis, effective with consumption January 1, 2005; and the application proposes the creation of a new Income Stabilization Trust that would include the balances of the Diesel Contingency Fund and the Anvil Range Mine dewater revenue account. In addition, the Corporation completed a depreciation study in 2004. The results have been included in the application and include a change in depreciation methodology that would have the effect of reducing depreciation expense. The application does not request any increase in firm rates charged to residential and commercial customers in

2005. After exchange of information, a public hearing was held April 18 to 21, 2005. A final decision of the YUB is expected later in 2005.

Water regulation
The Yukon Territory Water Board pursuant to the *Yukon Waters Act* decides if and for how long the Corporation will have a water license for the purposes of operating hydro generation stations in the Yukon. The licenses will also indicate terms and conditions for the operation of these facilities.

Capital Structure
The Corporation's policy is to maintain a relatively constant capital structure of 60% debt/40% equity. Annual dividends are paid to the parent and typically loaned back in order to maintain this ratio.

2. SIGNIFICANT ACCOUNTING POLICIES

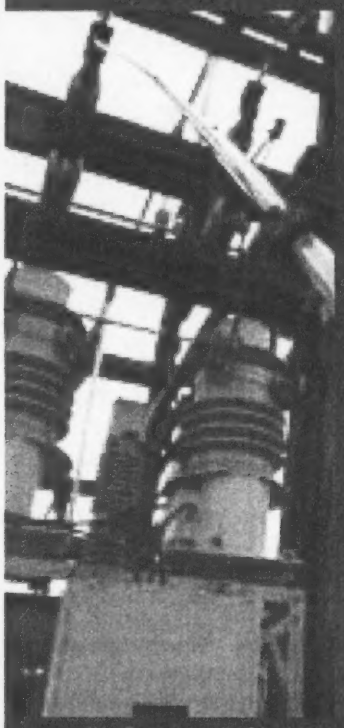
Financial Statement Presentation
The financial statements of the Corporation have been prepared by management and conform to Canadian generally accepted accounting principles and take into account generally accepted methods and practices of regulatory bodies. The regulatory accounting practices adopted by the Corporation may differ from the accounting practices otherwise applied in unregulated enterprises. In particular, the timing of the Corporation's recognition of certain assets, liabilities, revenues and expenses as a result of regulation may differ from that otherwise expected using generally accepted accounting principles. For clarity, the following accounting polices are grouped into accounts that follow regulatory accounting practices ("Regulatory Accounting") and those accounts that follow normal practice ("Generally Accepted Accounting Principles").

Regulatory Accounting
The Corporation applies various accounting policies that differ from Canadian generally accepted accounting principles for enterprises that do not operate in a rate-regulated environment.

The general impact of these regulatory accounting policies is to defer amounts that would otherwise be included in the determination of net income. These accounting policies result from the rate regulation of the Corporation and have been established through ongoing application or by approval of the YUB.

(a) Diesel fuel price adjustment
With respect to the cost of diesel fuel used in generation, the Corporation is authorized by Order-In-Council 1995/90 to adjust its rates to reflect fluctuations in the price of diesel fuel without the requirement for specific application to and approval of the Yukon Utilities Board. Fluctuations in diesel fuel costs from approval levels are deferred and recovered or refunded over designated future periods prescribed by the Yukon Utilities Board through revised rates charged to customers. The balance at December 31 is disclosed as rate adjustment receivable in accounts receivable (see note 4).

(b) Regulatory liabilities
As shown in Note 9, the Corporation has recorded as a regulatory liability insurance proceeds held on behalf of ratepayers. This represents the residual balance of insurance proceeds after allocation against all reconstruction and operation and maintenance costs related to a fire at the Whitehorse Rapids Generating Station in 1997. The Corporation is required to use the balance of the insurance proceeds to the benefit of ratepayers. The allocation of this amount will be the subject of a decision of the Yukon Utilities Board.



Yukon Energy employee Vick Balderas works at one of the company's substations – Derek Grove

The Corporation has also recorded as a regulatory liability revenue derived from Rate Schedule 34 customers, of which the Anvil Range Mine represents the only customer in the class. As directed by the Yukon Utilities Board in Board Order 1998-5, the Corporation is deferring revenues collected from this rate class less any incremental costs to provide the service until application to the benefit of ratepayers is directed by the Yukon Utilities Board.

(c) Reserve for uninsured losses
The Corporation maintains a reserve for uninsured losses. A provision to the reserve of $50,000 is made annually as a charge to other expenses. Uninsured losses are charged directly against the reserve.

(d) Deferred charges
Deferred charges are recorded at cost less accumulated amortization.

Costs related to water license renewals are deferred and amortized to earnings on a straight-line basis over the term of the existing licence plus the expected term of the renewed license. The Corporation operates its hydro generation facilities under three separate water licences, with terms ranging from 17 to 25 years.

Cost of feasibility studies are amortized on a straight line basis over five years.

Other deferred charges are amortized to earnings on a straight-line basis over various terms approved by the Yukon Utilities Board.

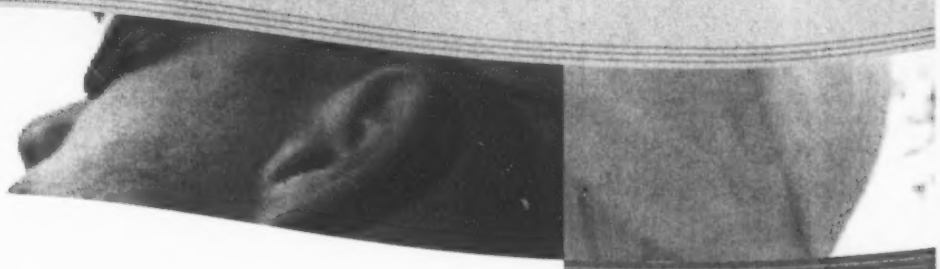
(e) Reserve for future removal and site restoration costs
The reserve is calculated based on the estimated cost of demolishing, dismantling, tearing down, or otherwise disposing of the asset, net of expected recoveries. These estimated costs are being provided for over the estimated useful life of the asset on a straight-line basis. The rates used to calculate the annual provision are approved by the Yukon Utilities Board and are applied to the historical cost of the underlying assets.

(f) Deferred revenue
Deferred revenue represents the gain resulting from insurance proceeds received in relation to the reconstruction of facilities in excess of net book value of assets destroyed by fire. The gain is being amortized to income at the same rate that the replacement assets are being amortized, as approved by the Yukon Utilities Board Order 2000-3.

Generally Accepted Accounting Principles ("GAAP")

The following policies adopted by the Corporation are in accordance with Canadian generally accepted accounting principles.

(a) Cash equivalents
Cash equivalents represent short-term highly liquid investments and are carried at cost.



(b) Property, plant and equipment
Property, plant and equipment is stated at cost which includes materials, direct labour, a proportionate share of directly attributable administration overhead, and finance charges capitalized during construction, less accumulated amortization. Amortization is based on the straight-line method over the estimated economic life of the assets as follows:

Generation	
Hydro-electric plants	40 to 65 years
Diesel plants	15 to 25 years
Transmission	25 to 40 years
Distribution	20 to 30 years
Buildings	20 to 30 years
Transportation	8 to 14 years
Other equipment	5 to 15 years

The Corporation capitalizes an allowance for funds used during construction (AFUDC) at the weighted average cost of capital. Upon retirement or disposal, any gain or loss is charged to income in the current year for assets depreciated on an individual basis, or charged to accumulated depreciation for assets depreciated on a pooled basis.

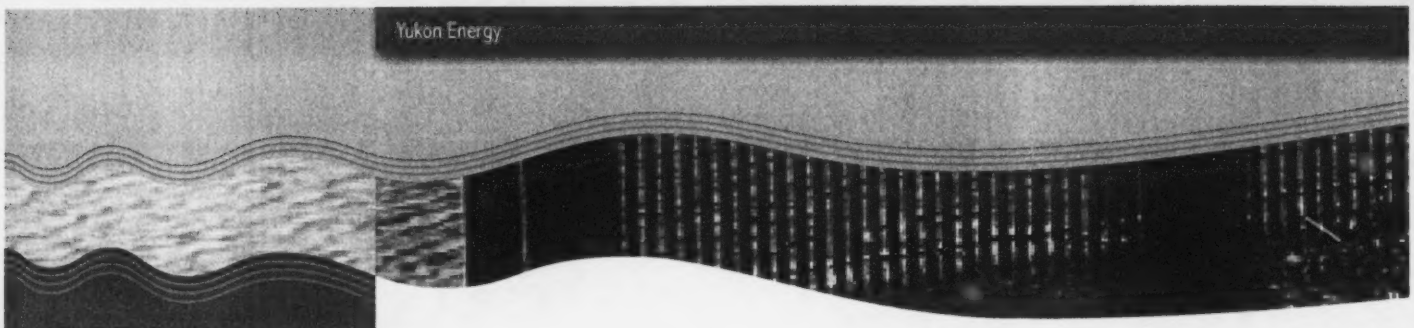
(c) Asset retirement obligations
As of January 1, 2004, the Corporation retroactively adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") on accounting for asset retirement obligations. The CICA recommendations require the Corporation to identify legal obligations associated with the retirement of tangible long-lived assets. Where a reasonable estimate of the fair value of these obligations can be determined, the total retirement costs are to be recorded as a liability at fair value, with a corresponding increase to property, plant and equipment.

The Corporation has determined that it has tangible long-lived assets which have future legal obligations for retirement. As the Corporation anticipates using the assets for an indefinite period, the date of removal of these assets cannot be reasonably determined, and therefore an asset retirement obligation has not been recorded. When the timing and amount of the retirement can be reasonably estimated, an asset retirement obligation and offsetting capital asset will be recognized.

(d) Materials and supplies
Diesel fuel, materials and supplies are recorded at average cost. Obsolete materials and supplies are recorded at salvage value in the period when obsolescence is determined.

(e) Contributions in aid of construction
Certain property, plant & equipment additions are made with the assistance of cash contributions from customers or capital assistance from the Corporation's parent. These contributions are amortized to income on the same basis as the assets to which they relate. Amortization of contributions from customers is netted on the statement of income against amortization expense while amortization of capital assistance from the parent is disclosed separately under Other income.

(f) Revenue recognition
Revenue from the sale of power is recognized based on cyclical meter readings. Sales of power includes an accrual for electricity deliveries not yet billed.



(g) Employee pension plan
The Corporation has a defined benefit pension plan which provides for pensions based on length of service and final average earnings. The cost of pension benefits is determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Adjustments resulting from the plan enhancements, experience gains and losses, and changes in assumptions are amortized over the estimated average remaining service life of employees. Pension costs include the current cost of service and amortization of past service benefits and plan enhancements, and experience gains and losses. Amortization is on a straight-line basis over the expected average remaining service life of pension plan members, which is currently 14 years.

(h) Measurement Uncertainty
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. This mainly affects revenue, accounts receivable, property, plant and equipment, the reserve for future removal and site restoration and other long-term receivables. Actual results could differ by a significant amount from these estimates.

Management's estimates and assumptions, especially those affecting the reported amounts of assets and the Corporation's ability to recover the cost of these assets through future rates, are subject to decisions of the Yukon Utilities Board.

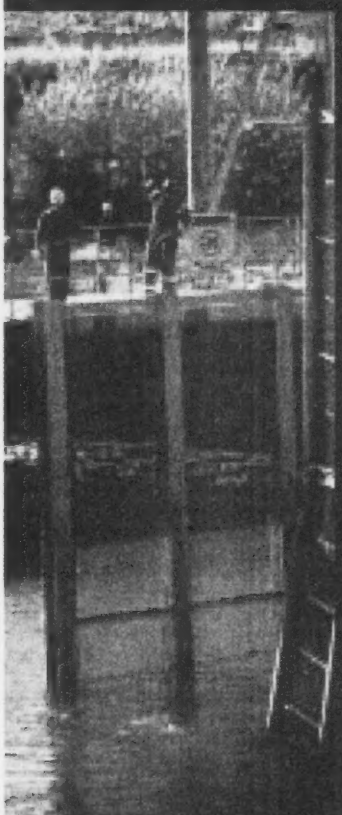
3. FUNDS HELD IN TRUST

Funds held in trust represented holdbacks from payments made to the general contractor on the Mayo-Dawson City transmission line project. These were held by the Corporation pending satisfactory completion of the project, at which time the monies were released. An offsetting liability was recorded in accounts payable and was equal to the holdbacks held.
On January 16 2004, the Corporation signed an agreement with the contractor. One of the provisions of this agreement released the contractor from certain contract requirements related to deficiencies and warranties. In return, the contractor agreed to release claim on $200,000 of the holdback outstanding.

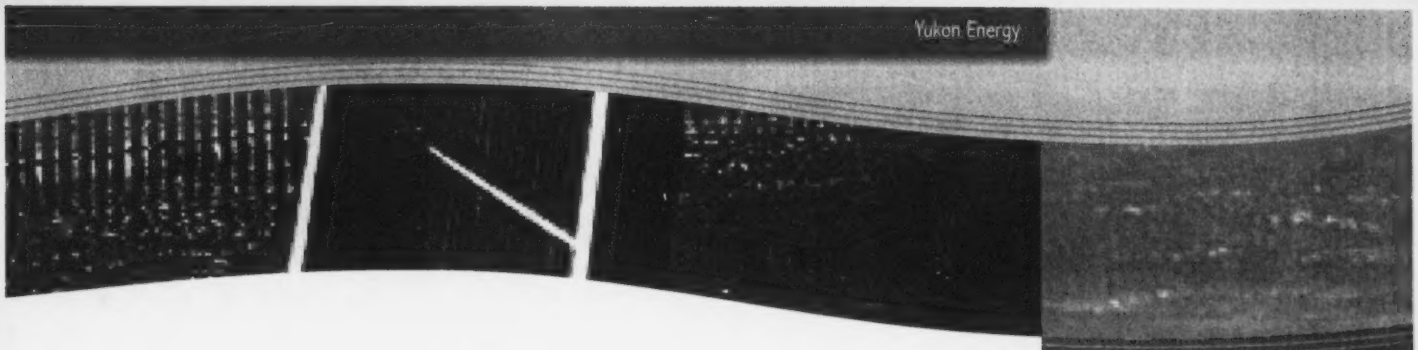
4. ACCOUNTS RECEIVABLE

	2004	2003
Wholesale energy sales	$ 2,480	$ 2,442
Other	1,413	1,026
Retail energy sales	590	641
Rate adjustment receivable	7	116
	$ 4,490	$ 4,225

Wholesale energy sales are made to Yukon Electrical Company Limited, an unrelated company also regulated by the Yukon Utilities Board. Wholesale power sales in 2004 were approximately $16,493,000 ($2003 - $16,017,000).



retrieving some fish screens from the Yukon River near the Whitehorse facility. The screens were carried into river as a result of high water and heavy current. – Archbould Photography



5. DIESEL CONTINGENCY FUND

The Diesel Contingency Fund was established with Board Order 1996-6 by the Yukon Utilities Board. The Fund is administered by the Corporation on behalf of the Yukon Utilities Board, and as such is recorded as a trust asset and a trust liability.

	2004	2003
Opening balance	$ 755	$ 734
Interest	17	21
Closing balance	$ 772	$ 755

The Corporation has applied to the Yukon Utilities Board, as described in Note 1, to transfer the balance in this fund to a trust.

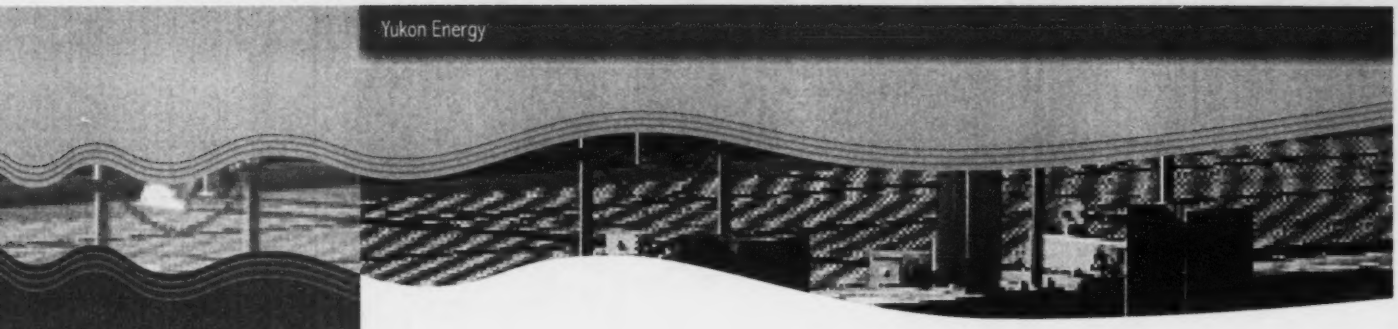
6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2004 Net book Value	2003 Net book Value
Hydro-electric and diesel plants	$ 134,453	$ 40,699	$ 93,754	$ 94,344
Transmission	52,928	9,143	43,785	43,962
Distribution	12,872	4,611	8,261	7,879
Buildings and other equipment	14,910	5,830	9,080	8,793
Transportation	1,342	438	904	995
Land and land rights	1,076	-	1,076	1,065
Construction-in-progress	1,940	-	1,940	1,474
	$ 219,521	$ 60,721	$ 158,800	$ 158,512

Property, plant and equipment classified as Transmission include a transmission line from the Mayo Hydro Generating Station to Dawson City. The line was constructed to replace diesel generation in Dawson City with hydro-generated power. The project economics are forecasted to be less than the present value of the future costs of operating a diesel plant. The line came into service on September 6, 2003. As discussed in Note 12, financing for these assets was secured from the parent.

Total costs (net of capital assistance from the parent of $5.8 million) incurred to December 31, 2004 are $28.9 million. Additional costs will be incurred in the future to correct deficiencies with the line. As described in Note 17, there are outstanding claims arising out of the project. All costs and recoveries resulting from the claims process will be capitalized, subject to approval of the rate regulator.

As part of the application described in note 1, the YUB will review the prudency of all capital works brought into service since the last general rate application in 1996/97.



7. RESERVE FOR UNINSURED LOSSES

	2004	2003
Opening balance	$ 679	$ 346
Provision	(50)	(50)
Losses incurred		
Asset replacements	168	383
Closing balance	$ 797	$ 679

The balance in the reserve represents the amount by which accumulated losses have exceeded the provision to date. The Corporation has applied to the Yukon Utilities Board, as part of the application described in Note 1, to use the insurance proceeds held on behalf of ratepayers (see note 9) to recover this balance. As well, the Corporation has applied, as part of the application described in Note 1, to increase the annual provision.

8. DEFERRED CHARGES

	Cost	Accumulated Amortization	2004 Net book Value	2003 Net book Value
Relicensing	$ 7,262	$ 1,809	$ 5,453	$ 5,559
Feasibility studies	1,142	276	866	631
Deferred downsizing costs	334	167	167	214
Regulatory expenses	325	-	325	121
Dam safety review	135	109	26	53
	$ 9,198	$ 2,361	$ 6,837	$ 6,578

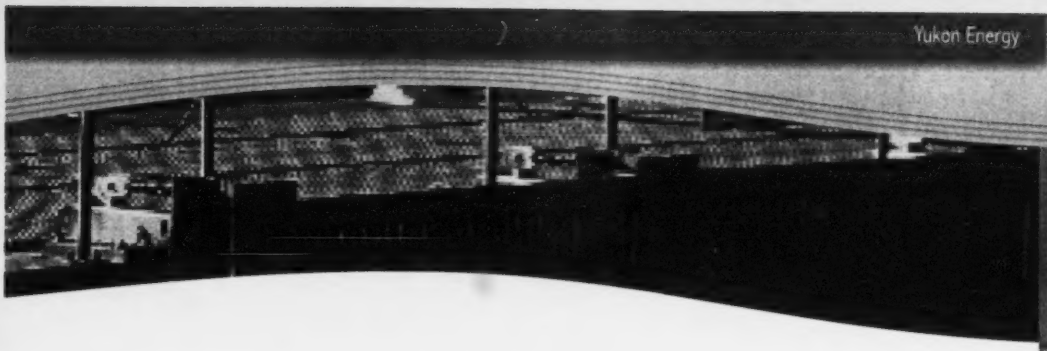
Deferred charges have been deferred and amortized in accordance with decisions of the Yukon Utilities Board.

9. REGULATORY LIABILITIES

	2004	2003
Insurance proceeds held on behalf of ratepayers	$ 744	$ 744
Anvil Range Mine dewater revenue	2,067	1,774
	$ 2,811	$ 2,518

The Corporation has applied to the Yukon Utilities Board, as described in Note 1, to use the insurance proceeds held on behalf of ratepayers to offset accumulated losses in the reserve for uninsured losses (see note 7).

The Corporation has applied to the Yukon Utilities Board, as described in Note 1, to transfer the balance in the Anvil Range Mine dewater revenue account to an Income Stabilization Trust in 2005. Future revenues from this rate class are to be recorded as revenue in the period earned.



10. DEFERRED REVENUE

	2004	2003
Deferred gain on fire insurance proceeds - capital assets (net of amortization and adjustments of $3,168,000 (2003 - $2,609,000))	$ 8,436	$ 8,995

11. CONTRIBUTIONS IN AID OF CONSTRUCTION

	Gross	Accumulated Amortization	2004 Net	2003 Net
Capital assistance from parent since 1998	$ 8,855	$ 845	$ 8,010	$ 8,309
Contributions from customers since 1998	2,777	173	2,604	1,642
Pre-1998 contributions	1,739	813	926	992
	$ 13,371	$ 1,831	$ 11,540	$ 10,943

The sources of contributions received prior to 1998 were not recorded separately.

12. LONG-TERM DEBT

The Corporation's long-term debt is summarized as follows:

	2004	2003
Government of Canada		
$40,000,000 flexible term note bearing interest at 7% repayable in annual installments of up to $1,000,000 principal, plus accrued interest	$ 28,278	$ 28,688
Yukon Development Corporation		
$27,313,661 term note bearing interest at 5.88%, payable monthly, and semi-annual principal payments commencing June 30, 2007 and ending December 31, 2023. The note is unsecured.	27,314	27,314
$18,000,000 flexible term note related to the Mayo to Dawson Transmission Line project bearing interest at 6.55% repayable in annual installments of $450,000 principal, plus accrued interest with the balance of $307,000 due December 31, 2043. The note is unsecured.	17,407	17,857
Unsecured advance bearing interest at 6.03%, due one year after demand	3,649	-

Yukon Energy employee Ed Chaplin works on one of Yukon Energy's sub-stations
– Dennis Cruise

Notes to Financial Statements | December 31, 2004

(tabular amounts in thousands of dollars)

TD Canada Trust **$12,400,000 term note bearing interest at 7.81% payable in monthly installments of $102,000 interest and principal, with the balance due September 30, 2011. The note is guaranteed by the Yukon Government.**	9,449	9,916
	86,097	83,775
Less current portion	1,340	1,235
	$ 84,757	**$ 82,540**

Government of Canada note
The proceeds of the Government of Canada flexible term note were part of the consideration used in 1987 to acquire assets of Northern Canada Power Commission. The note is collateralized by a mortgage against the Whitehorse Generating Station assets.

The terms of the flexible term note provide for payments of principal and interest to be deferred and abated, respectively, if power sales on the Whitehorse-Aishihik-Faro electrical power distribution system are less than specified amounts. After adjusting for abated interest, the effective interest rate on this instrument for 2004 is 2.86% (2003 - 2.50%). For further discussion regarding this instrument, see note 17(b).

This instrument was purchased by Yukon Development Corporation on March 30, 2005. For further discussion, see Note 20.

Mayo - Dawson Transmission Line Financing
The Corporation obtained financing from its' parent in the amount of $18 million for a transmission line from the Mayo Hydro Generating Station to Dawson City. The financing was obtained effective September 6, 2003, the date the transmission line came into service. The financing was made under terms that ensure that ratepayers are not paying more in any year than they would otherwise have paid if the transmission line had not been built and Dawson City had continued to be served by diesel generation. The maximum interest payable on the note in any year is determined by a formula which compares the costs and benefits of operating the line. For example, the costs include depreciation, return on equity, and operating and maintenance expense. The benefits include diesel fuel costs not incurred. As per the agreement, total costs, including interest, cannot exceed the benefits.

If the costs of operating the line exceed the benefits in any year, Yukon Development Corporation will pay Yukon Energy Corporation the difference on or before March 31 of the next calendar year.

In 2004, costs had exceeded benefits by $241,000 (2003 - $94,000). This amount is offset against interest on long-term debt in accordance with the agreement.

Long-term debt repayment
Scheduled repayments for all long-term debt are as follows:

2005	$ 1,340
2006	1,405
2007	3,066
2008	3,123
2009	3,188
Thereafter	73,975
	$ 86,097

Fair value
Fair value of $98.2 million (2003 - $94.5 million) for all long-term debt was estimated using discounted cash flows based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

13. ADMINISTRATION EXPENSES

	2004	2003
Wages, benefits and staff recruiting	$ 2,961	$ 2,907
Insurance	984	1,226
General office and governance costs	724	549
Data and bill processing	500	437
Consulting and legal services	265	407
Communications and corporate contributions	176	185
Environmental and safety management	163	175
Reimbursed and miscellaneous costs	1,007	835
	$ 6,780	**$ 6,721**

14. OPERATIONS AND MAINTENANCE EXPENSES

	2004	2003
Wages and benefits	2,662	2,536
Fuel	210	980
Maintenance		
- hydro, diesel and wind	578	719
- lines and substations	539	432
- building and vehicle	470	401
Water level measurement	182	197
	$ 4,641	**$ 5,265**

Notes to Financial Statements | December 31, 2004
(tabular amounts in thousands of dollars)

15. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, the following table summarizes the Corporation's related party transactions for the year:

	2004	2003
Revenue		
Sales of service to:		
- direct parent company	$ 469	$ 450
- wholly owned subsidiary of parent company	136	38
	$ 605	$ 488
Rate Stabilization Fund revenue from:		
- direct parent company	$ 338	$ 285
Expense		
Payment of interest on long-term & short term debt to:		
- direct parent company	$ 1,365	$ 2,661
Payment for Financial information system usage to:		
- direct parent company	177	177
Other receipts		
Rural Electrification Support Program funding:		
- direct parent company	$ 60	$ 68
Other payments		
Purchase of capital equipment		
- wholly owned subsidiary of parent company	$ -	$ 179
Payment on contribution agreements to:		
- direct parent company	$ 36	$ 35
- wholly owned subsidiary of parent company	60	-

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Revenue from related parties is reported as Other revenue on the statement of income . The corresponding cost of providing these services is reported as part of Administration expense on the statement of income.

Rate Stabilization Fund revenues are received from the parent in accordance with terms established by the Yukon Territorial Government, which established the Fund to protect certain ratepayers by minimizing the impact of rate increases. These revenues are reported on the statement of income as a component of Sales of power.

Interest on long-term debt is included on the income statement under Other expenses.

Rural Electrification Support Program funds are received from the parent and are recorded as an offset to the capitalized cost of the respective project.

At the end of the year, the amounts receivable from and due to related entities are as follows:

	2004	2003
Direct parent company		
Accounts receivable	$ 574	$ 539
Accounts payable	$ 6	$ 828
Current portion of long term debt	$ 450	$ 450
Long-term debt	$ 47,959	$ 44,721
Wholly owned subsidiary of parent company		
Accounts receivable	$ 63	$ 71
Accounts payable	$ -	$ 142

These balances are payable on demand except for long-term debt.

16. PENSION COSTS AND OBLIGATIONS

An actuarial valuation for funding purposes was performed as of January 1, 2004 by the consulting actuarial firm AON Consulting Inc. The next valuation for funding purposes will be conducted as of January 1, 2007.

The pension costs and obligations were based on the data used in the January 1, 2004 funding valuation and have been projected to December 31, 2004 in accordance with generally accepted actuarial standards.

The fair value of the plan assets is based on market values as reported by Royal Trust as at December 31, 2004. The plan assets are invested as follows: equity investments (60.5%; 2003 - 63.9%), bonds (30.1%; 2003 - 30.6%) and cash and short term instruments (9.4%; 2003 - 5.5%).

The following table sets out the assumptions and pension amounts as at December 31, 2004. The Corporation's employees had the option to belong to the Corporation's defined benefit pension plan or a Registered Retirement Savings Plan (RRSP). Employees joining the Corporation after January 1, 2002 can only join the RRSP. As at December 31, 2004, the Corporation's defined pension plan had 41 members (2003 - 42), and the RRSP had 34 members (2003 - 28).

Pension benefits are based on:

- years of pensionable service,
- the average annual earnings during any 5 consecutive years of pensionable service where earnings are the highest, and
- the average of the years maximum pensionable earnings (Canada Pension Plan) for the same 5-year period

Annual cost of living increases to a maximum of 3.00% are provided to pensioners. The Corporation contributes amounts as recommended by an independent actuary.

Employees make contributions to the plan as follows:

- 3.5% of earnings up to the year's maximum pensionable earnings
- 5.0% of earnings in excess of year's maximum pensionable earnings to a maximum of $2,500 per year.

Information about the Corporation's defined benefit plan as at December 31, in aggregate, is as follows:

	2004	2003
Discount rate	6.00%	6.50%
Expected long-term rate of return on plan assets	6.50%	7.00%
Assumed rate of salary escalation	3.00%	3.75%
Assumed rate of pension indexing	2.50%	3.00%
Expected average remaining service life of employees	14 years	16 years
Benefit obligation determined by actuarial valuation	$ 6,282	$ 6,241
Fair value of plan assets	5,371	4,827
Plan surplus (deficit)	$ (911)	$ (1,414)
Unrecognized amount		
- transitional (asset) obligation	(220)	(237)
- net actuarial (gains) losses	741	1,227
Accrued benefit (liability)	$ (390)	$ (424)
Pension expense	$ 286	$ 438
Employer contributions	$ 320	$ 237
Employee contributions	$ 132	$ 83
Benefits paid	$ 299	$ 43

The accrued benefit liability has been recorded on the Corporation's books of account and is included in accounts payable on the balance sheet.

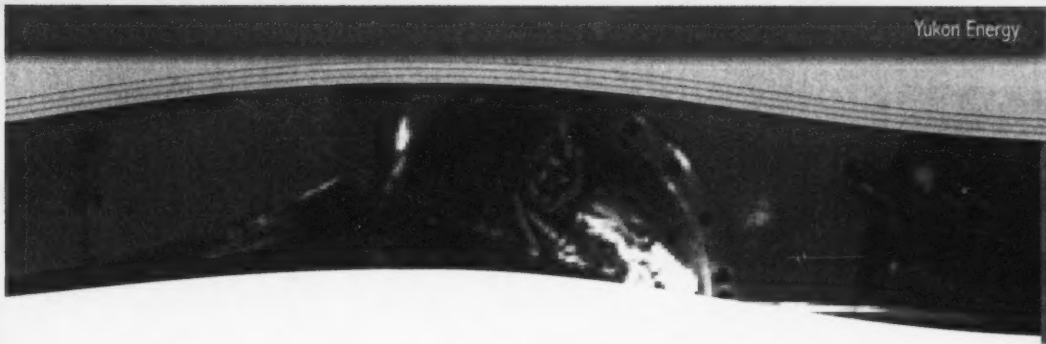
The Corporation's RRSP plan is a defined contribution pension plan. Employer contributions to the plan during 2004 were $272,000 (2003 - $203,000).

17. CONTINGENCIES

(a) Mayo to Dawson City transmission line project

As discussed in Note 6, the Corporation completed the construction of the Mayo to Dawson City Transmission Line project during 2003. Subsequent to energization of the line, Yukon Energy Corporation and the general contractor notified each other that they have numerous claims arising out of the agreement and the construction of the line. These claims total several million dollars on a net basis. To date, no legal action has commenced.

In April 2005, the contractor provided the Corporation with some additional information. Management is now reviewing this information and anticipates further documentation will be required before claims can be fully assessed. Once the documentation stage is complete, the parties will meet to select an appropriate legal process to resolve the outstanding issues. To date, Yukon Energy Corporation has not received sufficient information to assess the Corporation's exposure.



(b) Federal Transfer Agreement

Most of the assets of the Corporation were purchased under a March 31, 1987 Agreement of Purchase and Sale between the Government of Canada ("Canada"), Yukon Energy Corporation, the Government of Yukon ("YTG") and Northern Canada Power Commission ("NCPC") (the "Transfer Agreement"). There are a number of claims that the Corporation has against Canada under the Transfer Agreement. Canada has made a demand on Yukon Energy Corporation under the Transfer Agreement more specifically in relation to amounts it alleges are owing to it under the flexible term note described in Note 12. The various claims are described below:

I. Canada's Claims Against Yukon Energy Corporation

(i) Claim on the Flexible Term Note

On March 5, 2004 Canada made a demand on Yukon Energy Corporation for an amount it alleges the Corporation owes pursuant to the flexible term note referred to in Note 12. The flexible term note provides for payments of principal and interest to be deferred and abated if particular power sales are less than specified amounts set out in the flexible term note. Since 1998, Yukon Energy Corporation has paid the Government of Canada pursuant to the formula under the Agreement without including secondary sales (a program of sales at reduced rates on an interruptible basis). Pursuant to its demand letter, Canada has taken the position that secondary sales should be included in the calculation. The Corporation has informed Canada that it disputes Canada's claim. Canada's claim is for principal of $252,000, interest of $511,000 and penalty interest at December 31, 2003. Refer to note 20 regarding the resolution of this claim subsequent to December 31, 2004.

II. Yukon Energy Corporation claims against Canada

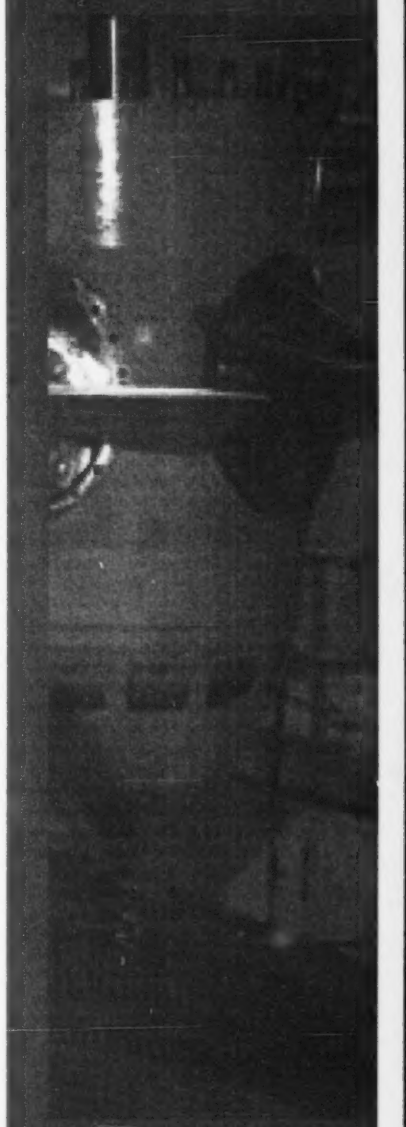
(i) Claim against Canada Arising from Requirement to Obtain a Fish Authorization in Relation to the Aishihik Facility

In January, 2004, Yukon Energy Corporation filed a Writ of Summons against Canada for damages caused by a breach of the Transfer Agreement arising from Canada's notification of the Corporation in May, 1999 that the Aishihik Facility required an authorization under the Fisheries Act. Yukon Energy Corporation alleges the requirement for a fish authorization was contrary to Canada's representations and warranties under the Transfer Agreement. More particularly it alleges it reasonably relied on warranties and representations given by Canada under the Transfer Agreement to the effect that Yukon Energy Corporation had all authorizations necessary for the generation of electricity from the Aishihik Facility. As a result, the Corporation incurred significant costs and expenses in negotiating and obtaining a Fisheries Act authorization for the Aishihik Facility and further, its ability to use the Aishihik Facility has been restricted by the terms of the authorization.

(ii) Soil Contamination at the Whitehorse Facility

Yukon Energy Corporation has notified Canada of a claim it has for indemnification for expenditures it incurred on site restoration at the Whitehorse Rapids Dam site for hydrocarbon contamination caused by a diesel fuel spill which occurred when Canada owned the facility. This contamination was discovered in 1999 and was remediated in 2000. In addition, further testing in 2004 revealed one additional area of contamination caused during Canada's ownership of the site. The Corporation's claim for indemnification arises under the Transfer Agreement.

Yukon Energy Corporation has had numerous discussions with representatives of the Government of Canada in an effort to establish a process to resolve all of the outstanding claims under the Transfer Agreement. These discussions are at preliminary stage. The outcome and potential resolution of the various claims outlined above are not known at this time.



Yukon Energy employee Lori Rowland works to refurbish one of the hydro units at our Whitehorse plant.

18. COMMITMENTS

(a) Aishihik Water Licence

The Yukon Territory Water Board issued a water use license in 2002, valid until December 31, 2019, for the Corporation's Aishihik Lake facility. In addition to maintaining a minimum and maximum water level, this license commits the Corporation to meet a number of future requirements including:

a) annual payments of $25,000 until 2011 for the purpose of construction and maintenance of a heritage camp and delivery of programs at the camp;
b) a Heritage Mitigation Plan, the cost of which has not yet been determined; and
c) annual fish monitoring programs.

Fish monitoring programs are also required under an authorization provided by Canada Department of Fisheries and Oceans valid until December 31, 2019. The costs of meeting these requirements are accounted for as relicensing costs in the year they are paid.

(b) Financial Information System Lease

The Corporation leases a financial information system from the parent. Minimum lease payments for the next five years are as follows:

2005	$ 177
2006	177
2007	177
2008	177
2009	147
Total	855

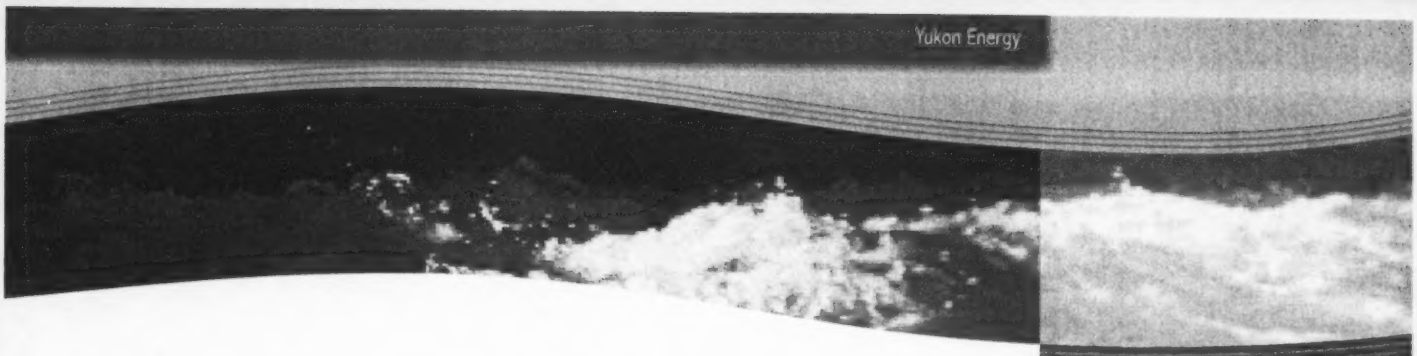
19. ENVIRONMENTAL LIABILITIES

The Corporation's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. Liabilities will be recorded when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs can be reasonably estimated. To date, no such specific liabilities have been recorded in the Corporation's accounts.

20. SUBSEQUENT EVENT

On March 30, 2005, the Government of Canada flexible term note was purchased by Yukon Development Corporation. The face value of the debt ($28.3 million at December 31, 2004) owing by the Corporation and the terms and conditions of the note have not changed as a result of this transaction.

As described in Note 17, Canada had made a demand for principal and interest alleged to have been improperly calculated on the flexible term note. As a result of the purchase of the instrument, this claim has been rescinded.



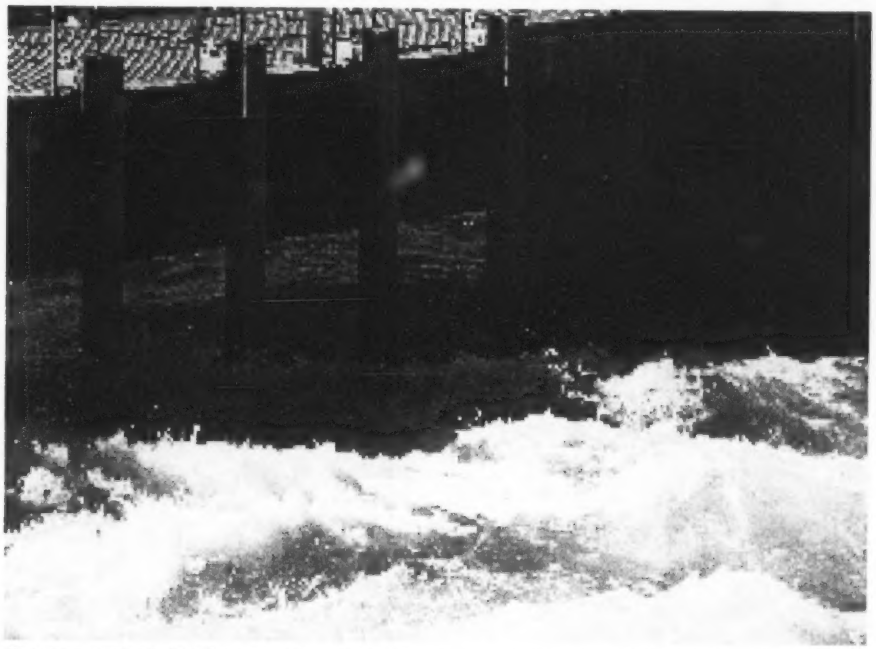
21. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents, accounts receivable, diesel contingency fund, and accounts payable approximate the carrying amount of these instruments due to the short period to maturity. The fair value of long-term debt is described in note 12. The Corporation also has access to a $10 million line of credit. The account accrues interest on withdrawals at prime rate.

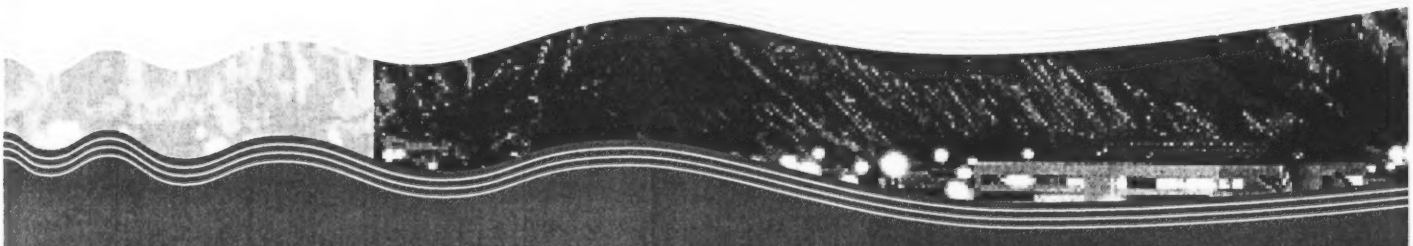
The Corporation is not exposed to significant interest rate risk due to its' long-term debt having fixed interest rates. The Corporation's credit risk is minimal in that its' primary customer is a regulated utility.

22. COMPARATIVE FIGURES

Certain 2003 figures have been reclassified to conform with the current year's presentation.



Missing fish screens from the Yukon River near the Whitehorse fishway. The screens were carried away as a result of the high water and ice current. – Archibald Photography



Photography Credits

Cover ~ | *Whitehorse at dusk – YTG*

Inside Cover ~ **banner** | *City of Whitehorse – YTG*

P1 ~ **banner** | *City of Whitehorse – YTG*

P2 ~ **banner** | *aerial view of Yukon River – Derek Crowe* **left** | *Arrester in front of a transformer – Derek Crowe*

P3 ~ **banner** | *aerial view of the Whitehorse Dam – Derek Crowe*

P4 ~ **banner** | *Yukon Energy employee Tara Schultz – Derek Crowe*

P5 ~ **banner** | *Yukon Energy employee Tara Schultz – Derek Crowe*
right | *Yukon Energy employee Ron Gee takes readings of water levels in the Whitehorse Dam – Archbould Photography*

P6 ~ **banner** | *section of the inner workings of the Vestas wind turbine on Haeckel Hill – Derek Crowe*
top left | *refurbishing one of the Whitehorse hydro turbines – Archbould Photography*
bottom left | *repairing the Vestas wind turbine on Haeckel Hill – Derek Crowe*

P7 ~ **banner** | *Yukon Energy employee John Greer works to repair the Vestas wind turbine on Haeckel Hill – Derek Crowe*

P8 ~ **banner** | *clipping the adipose fin from young chinook fry, as they are about to be released into local streams – Archbould Photography*
left | *aerial view of the fish weir in Whitehorse – Derek Crowe*

P9 ~ **banner** | *view of the fish weir at the Whitehorse hydro plant – Archbould Photography*

P10 ~ **banner** | *Summer Music Camp – one of the many community projects supported by Yukon Energy – YTG*
top left | *an artist performs at the Yukon International Storytelling Festival, an event supported by Yukon Energy – YTG*
bottom left | *school students enjoy a tour of Yukon Energy's Whitehorse facilities – Yukon Energy*

P11 ~ **banner** | *students receiving a tour of Yukon Energy's Whitehorse facilities – Yukon Energy*
right | *Summer Music Camp, held with financial help from Yukon Energy – YTG*

P12 ~ **banner** | *one of Yukon Energy's hydro turbines – Archbould Photography*
right | *the ring gear is replaced on Yukon Energy's Vestas wind turbine on Haeckel Hill – Derek Crowe*

P13 ~ **banner** | *one of Yukon Energy's hydro turbines – Archbould Photography*

FINANCIAL

P14–15 ~ *one of Yukon Energy's hydro turbines – Archbould Photography*

P16–17 ~ *Yukon Energy's Linda Greer works in the early hours of the morning – Derek Crowe*

P18–19 ~ *repairs to the Mayo spillway – Yukon Energy*

P20–21 ~ *levels at Yukon Energy's Whitehorse hydro facility – Archbould Photography*

P22–23 ~ *Yukon Energy employee Nick Balderas works at one of the company's sub-stations – Derek Crowe*

P24–25 ~ *retrieving some fish screens from the Yukon River near the Whitehorse facility. The screens were carried into river as a result of high water and heavy current. – Archbould Photography*

P26–27 ~ *missing fish screens, after the heavy current in the Yukon River carried them into the water – Archbould Photography*

P28–29 ~ *Yukon Energy employee Ed Chaplin works on one of Yukon Energy's sub-stations – Derek Crowe*

P30–31 ~ *clipping the adipose fin from young chinook fry, as they are about to be released into local streams – Archbould Photography*

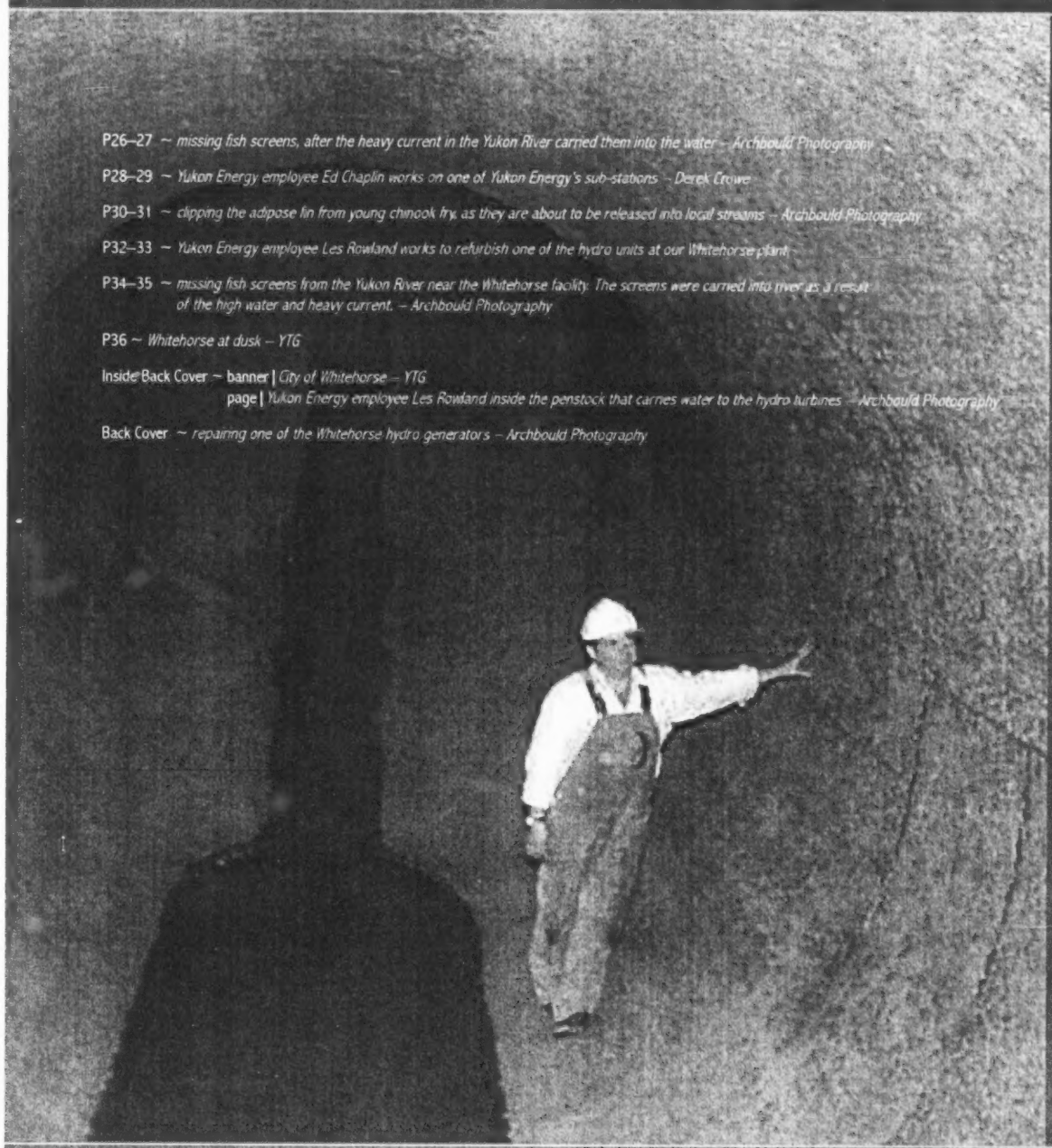
P32–33 ~ *Yukon Energy employee Les Rowland works to refurbish one of the hydro units at our Whitehorse plant*

P34–35 ~ *missing fish screens from the Yukon River near the Whitehorse facility. The screens were carried into river as a result of the high water and heavy current. – Archbould Photography*

P36 ~ *Whitehorse at dusk – YTG*

Inside Back Cover ~ banner | *City of Whitehorse – YTG*
page | *Yukon Energy employee Les Rowland inside the penstock that carries water to the hydro turbines – Archbould Photography*

Back Cover ~ *repairing one of the Whitehorse hydro generators – Archbould Photography*



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